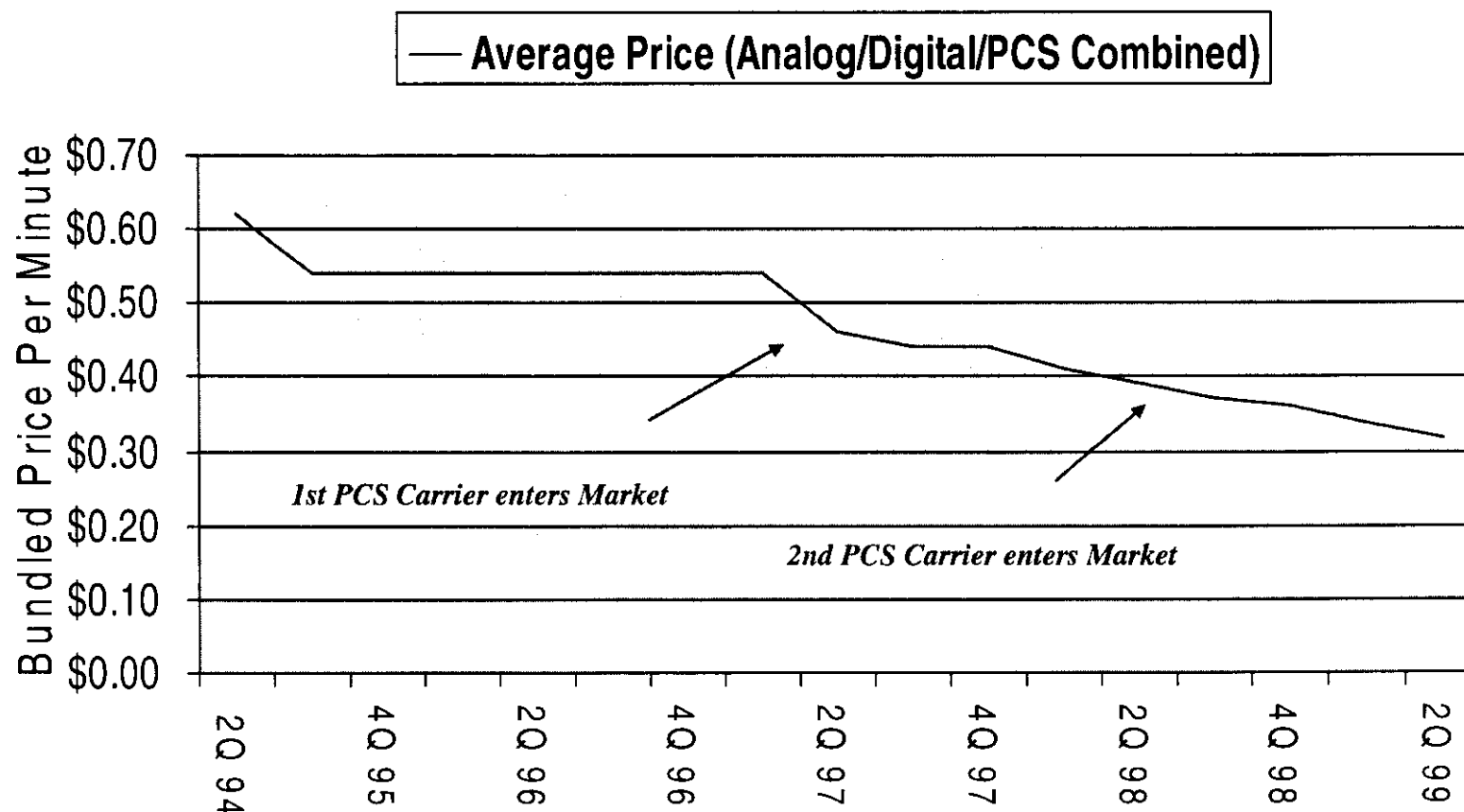


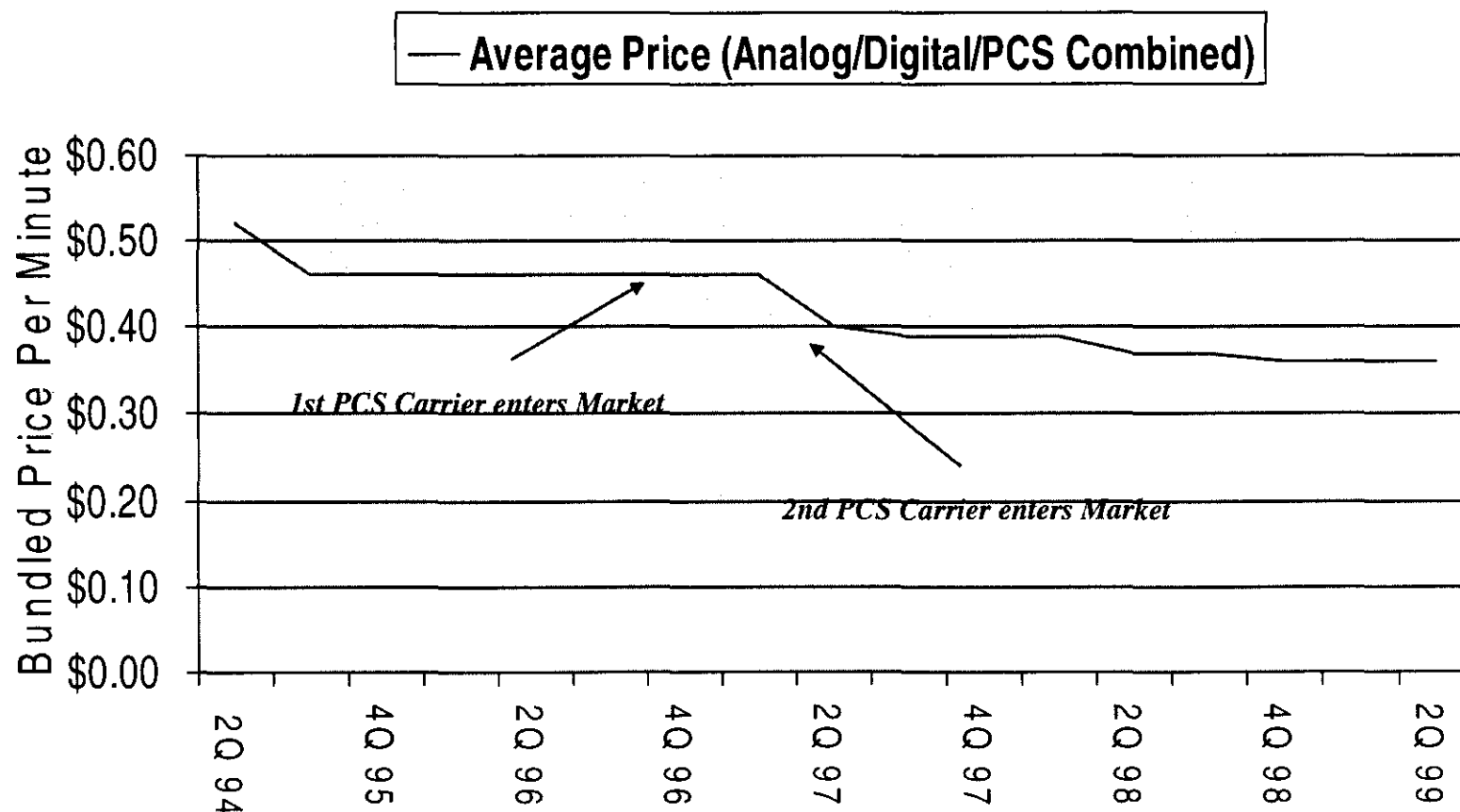
Average Prices in Seattle Drop with PCS Entry



-Prices dropped 15% after the first PCS carrier entered the market, and fell a further 18% after the second PCS carrier launched service



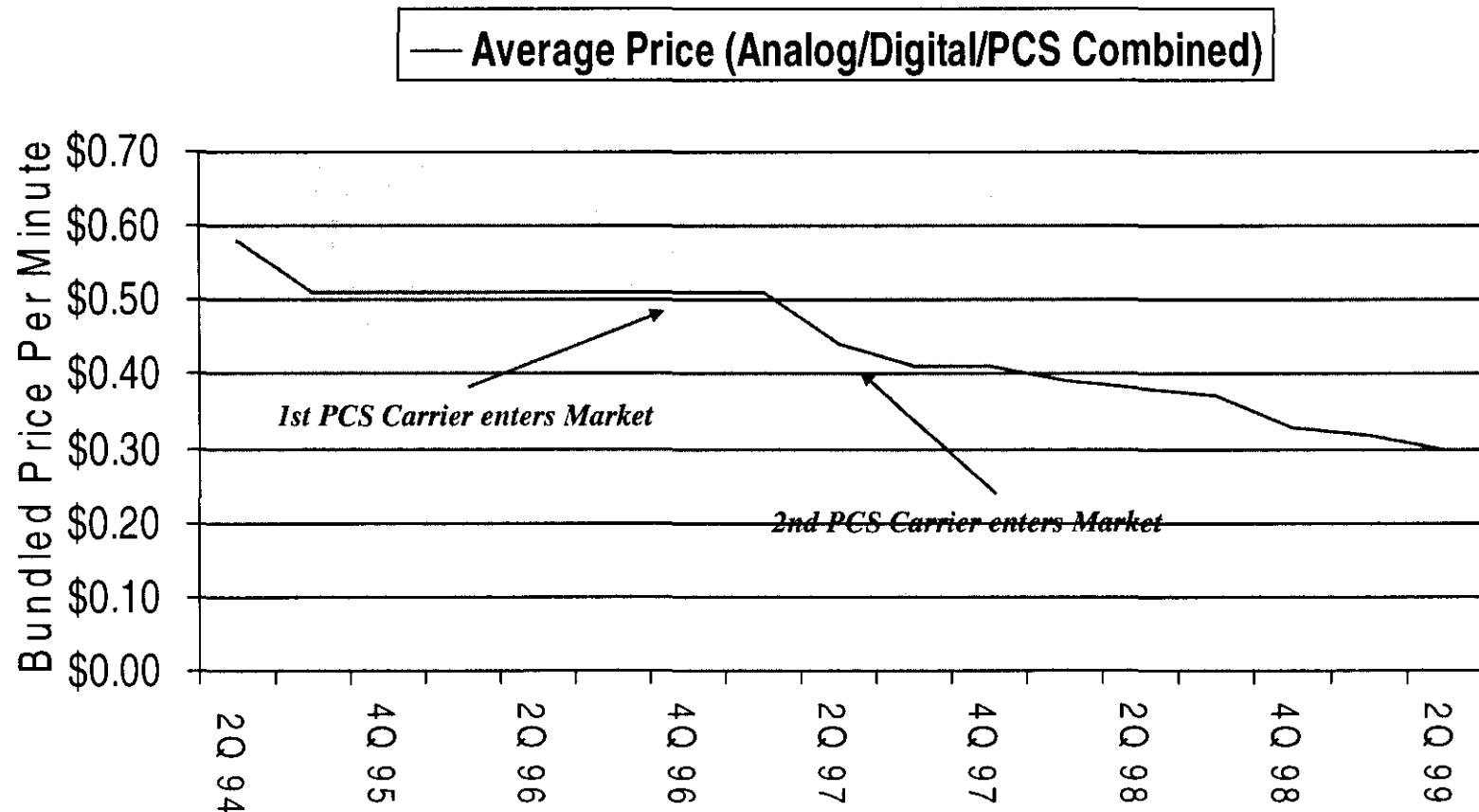
Average Prices in Pittsburgh Drop with PCS Entry



-Prices dropped 13% after the first PCS carrier entered the market, and fell a further 11% after the second PCS carrier launched service



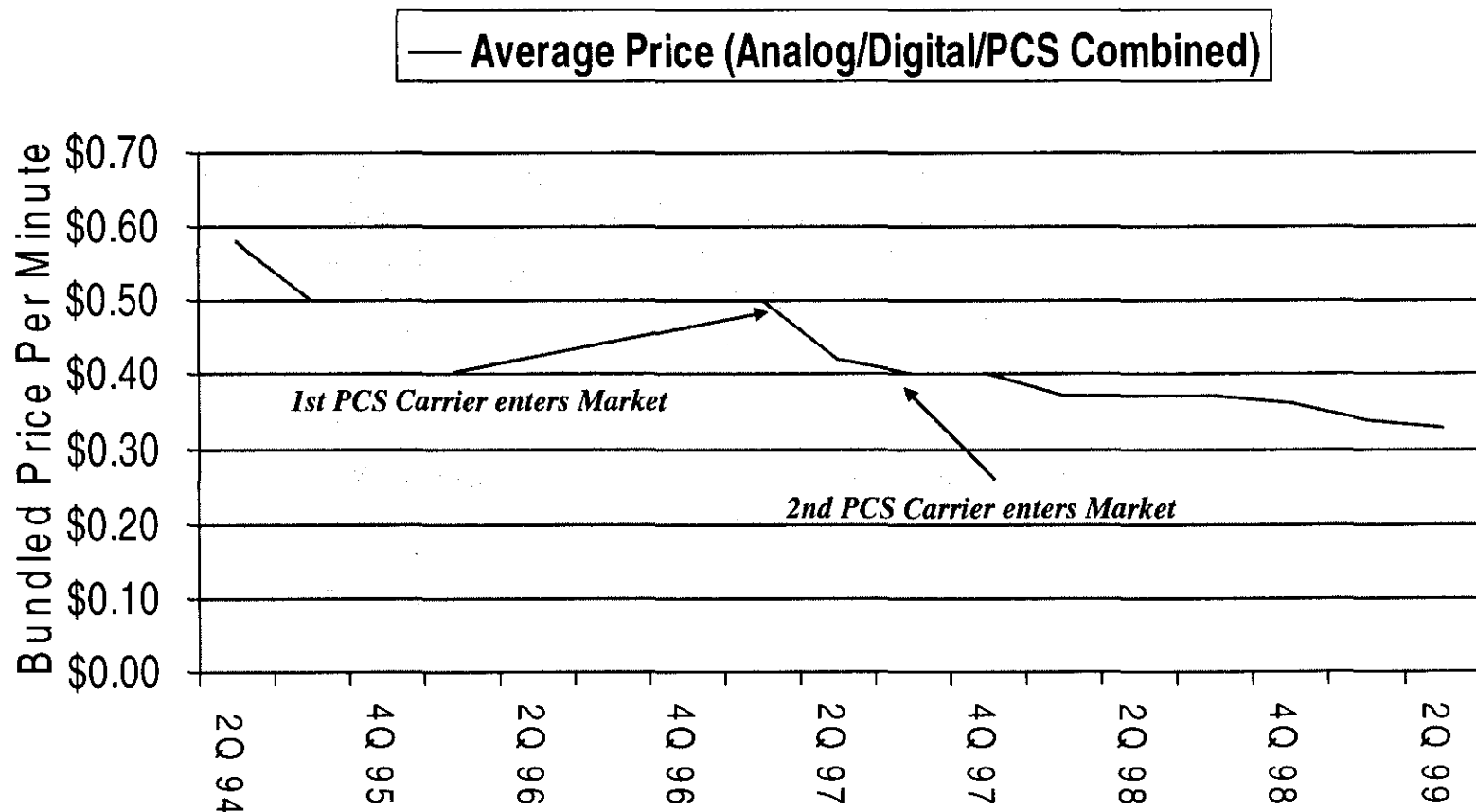
Average Prices in Tampa Drop with PCS Entry



-Prices dropped 14% after the first PCS carrier entered the market, and fell a further 31% after the second PCS carrier launched service

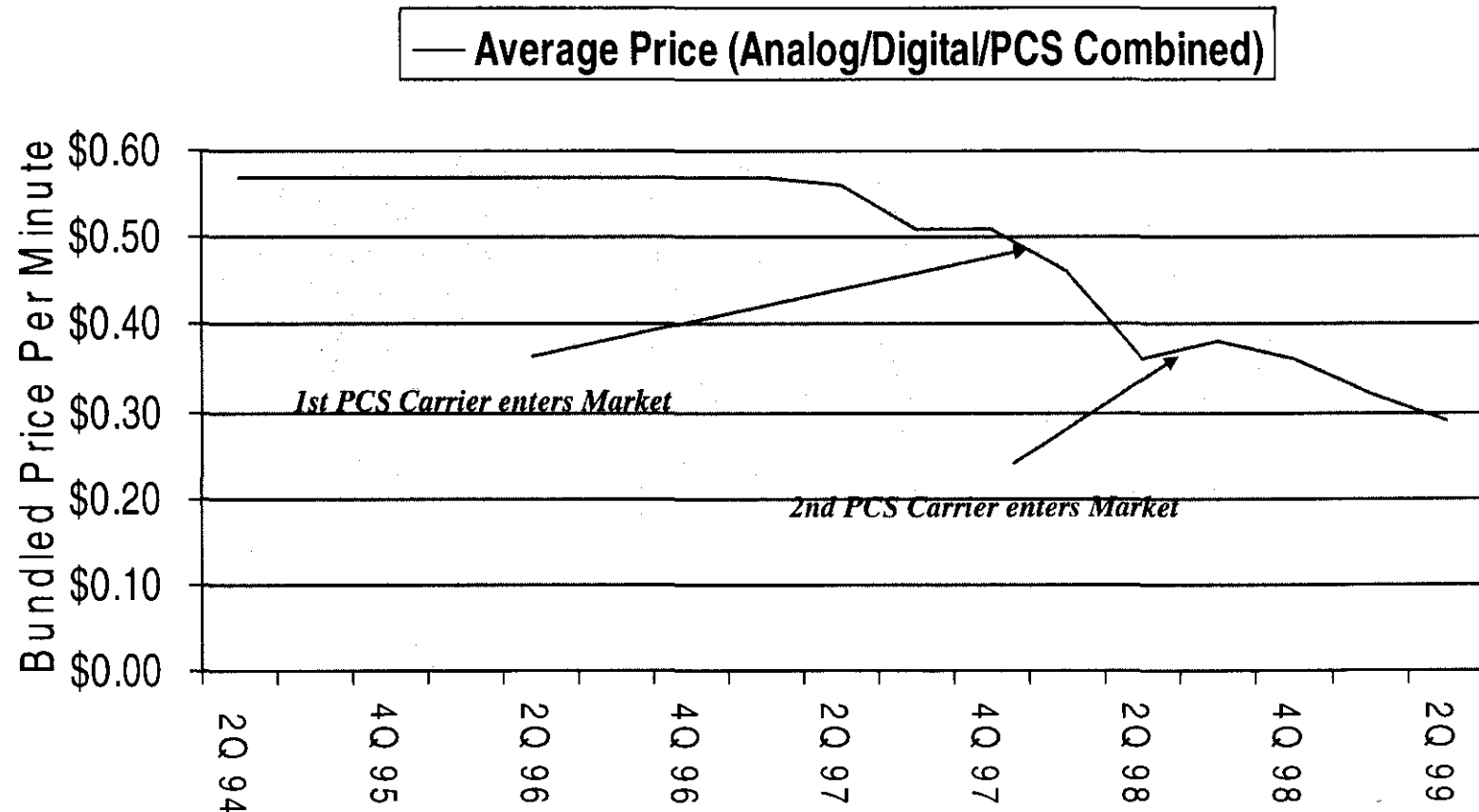


Average Prices in Denver Drop with PCS Entry



-Prices dropped 16% after the first PCS carrier entered the market, and fell a further 22% after the second PCS carrier launched service

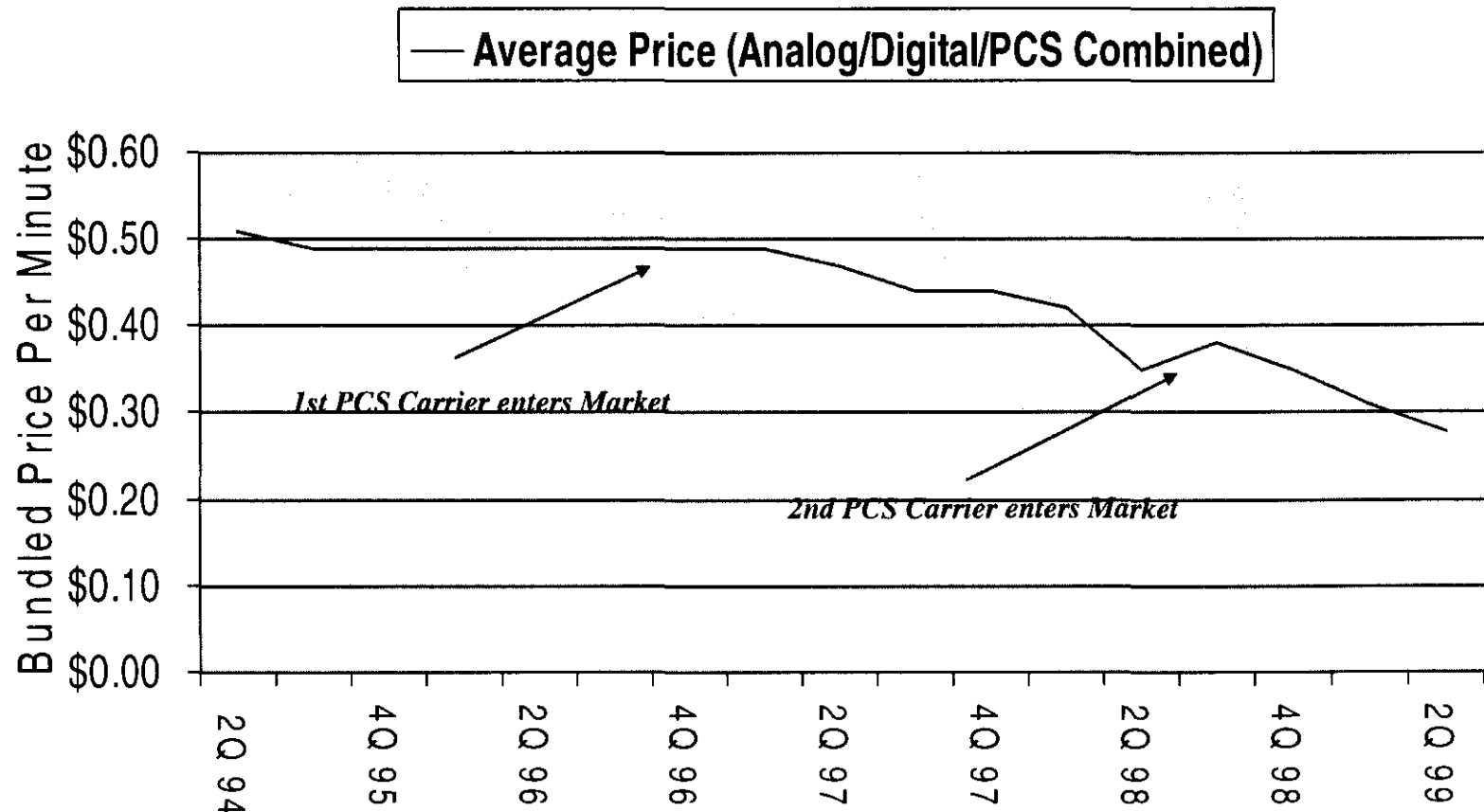
Average Prices in Cleveland Drop with PCS Entry



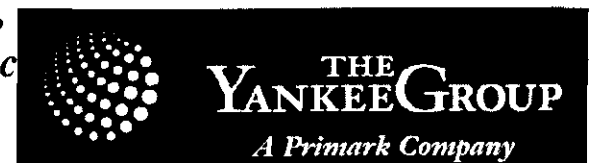
-Prices dropped 29% after the first PCS carrier entered the market, and fell a further 20% after the second PCS carrier launched service



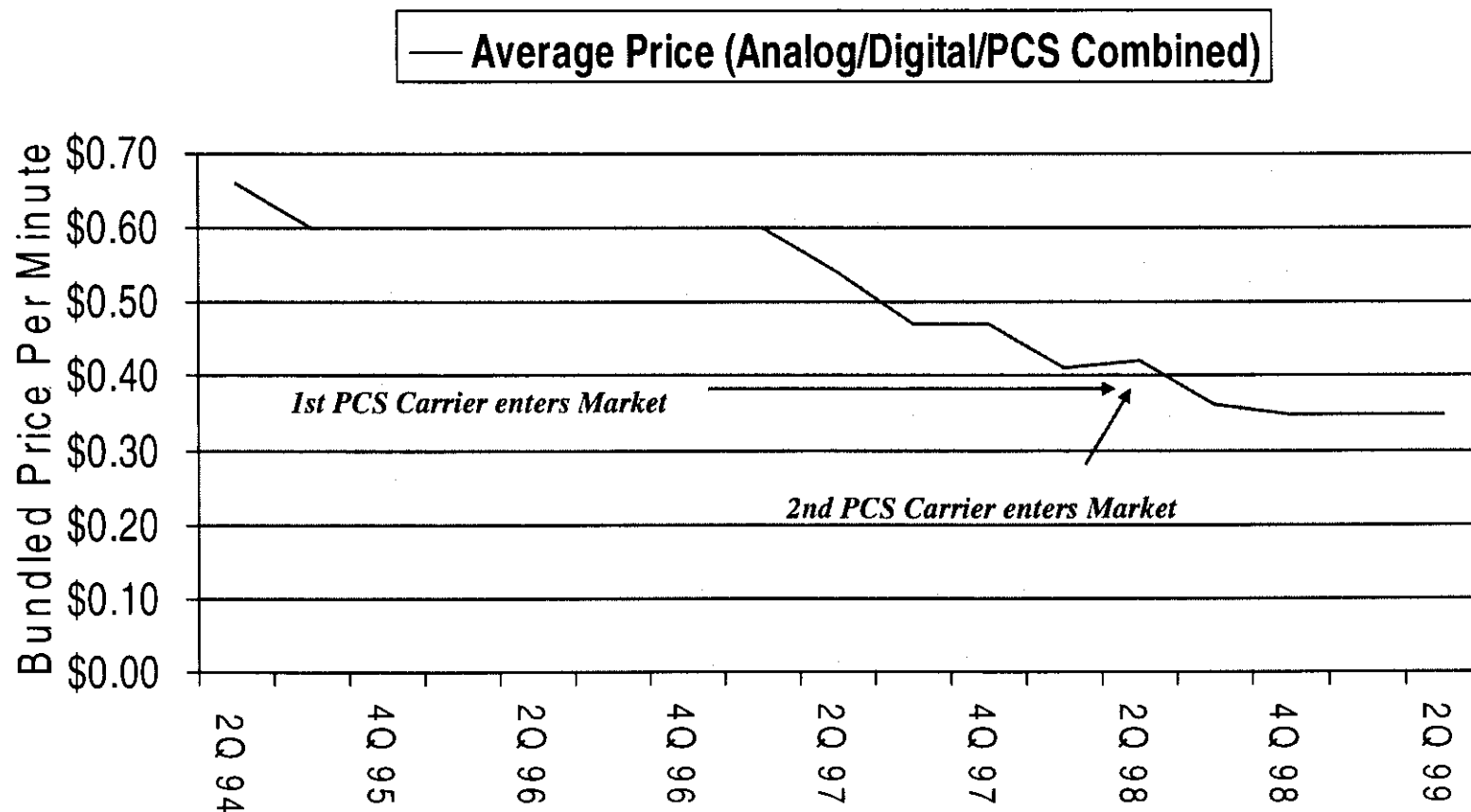
Average Prices in Charlotte Drop with PCS Entry



-Prices dropped 28% after the first PCS carrier entered the market, and fell a further 21% after the second PCS carrier launched service

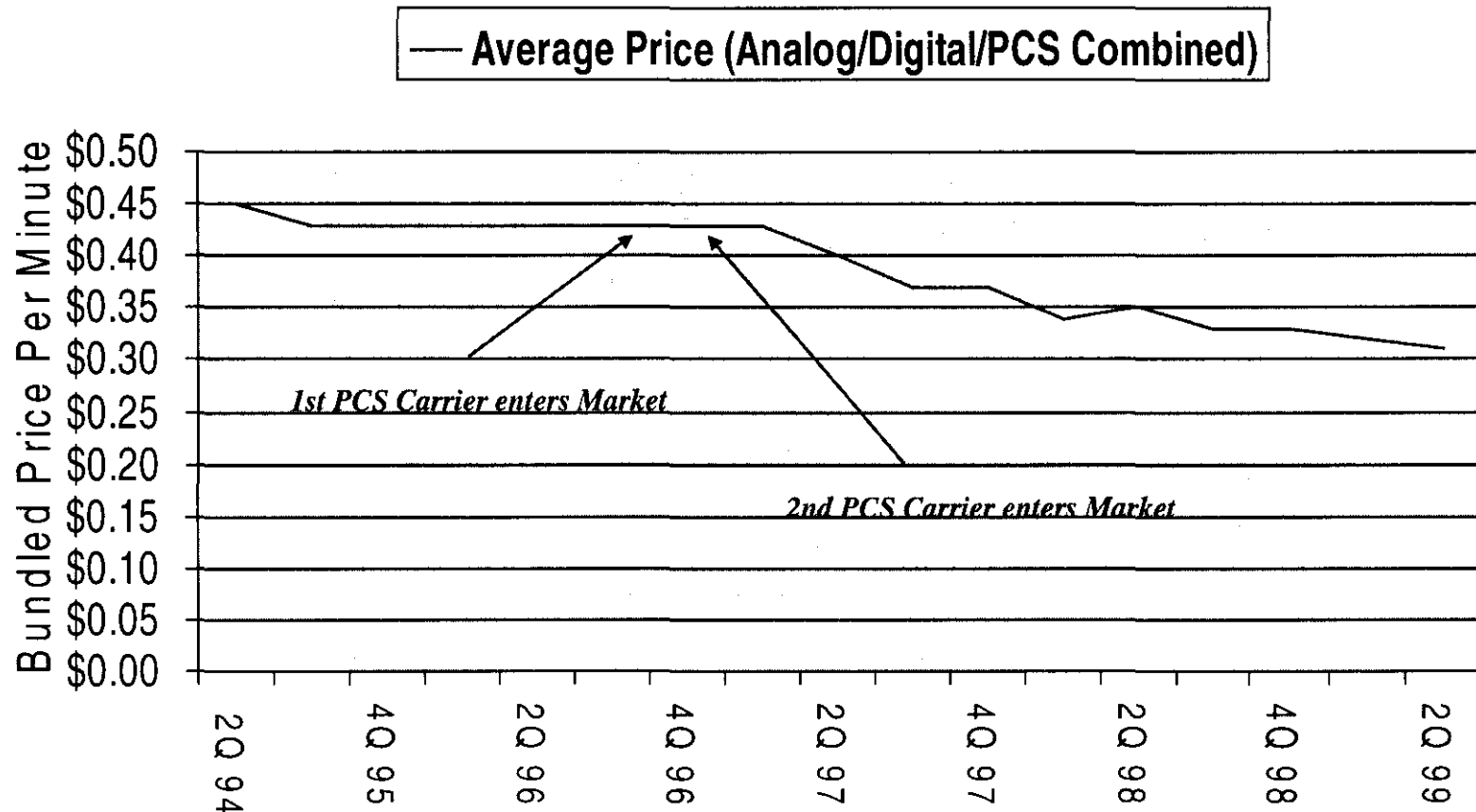


Average Prices in San Jose Drop with PCS Entry



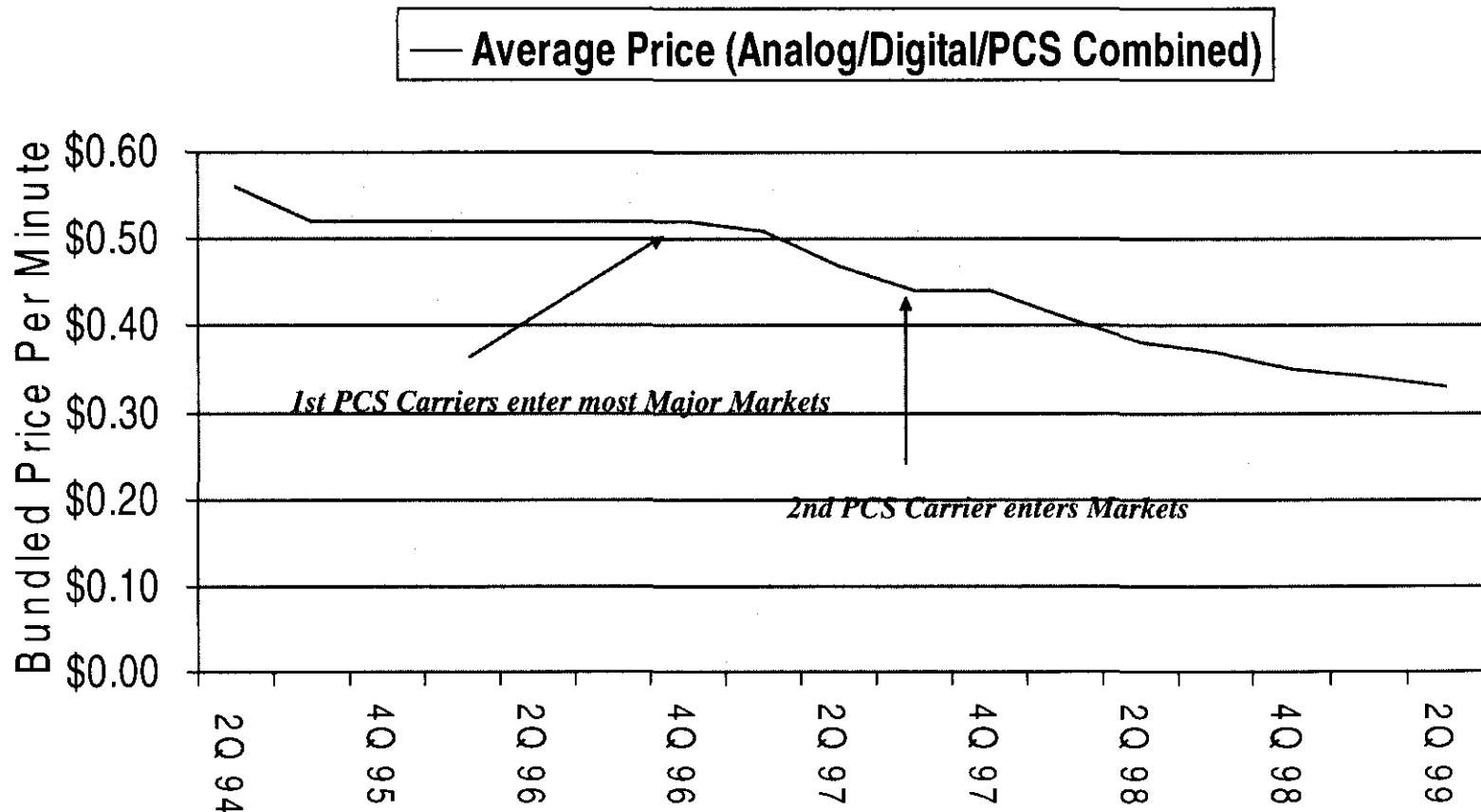
-Prices have fallen 17% since the first 2 PCS carriers launched service

Average Prices in Portland Drop with PCS Entry



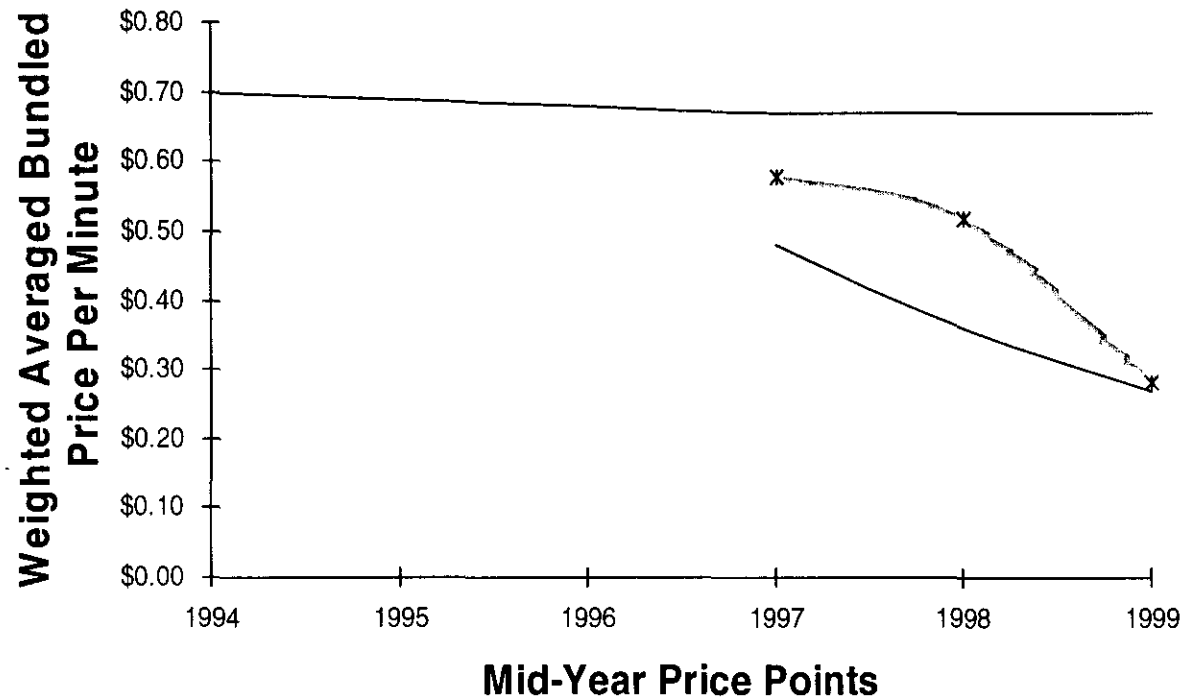
-Prices have fallen 27% since the first 2 PCS carriers launched service

Summary Slide: Prices Fall Nation-Wide with PCS Entry



-The average price in the top 25 markets dropped 10% after the entrance of the first PCS carrier and a further 25% after the 2nd PCS launch

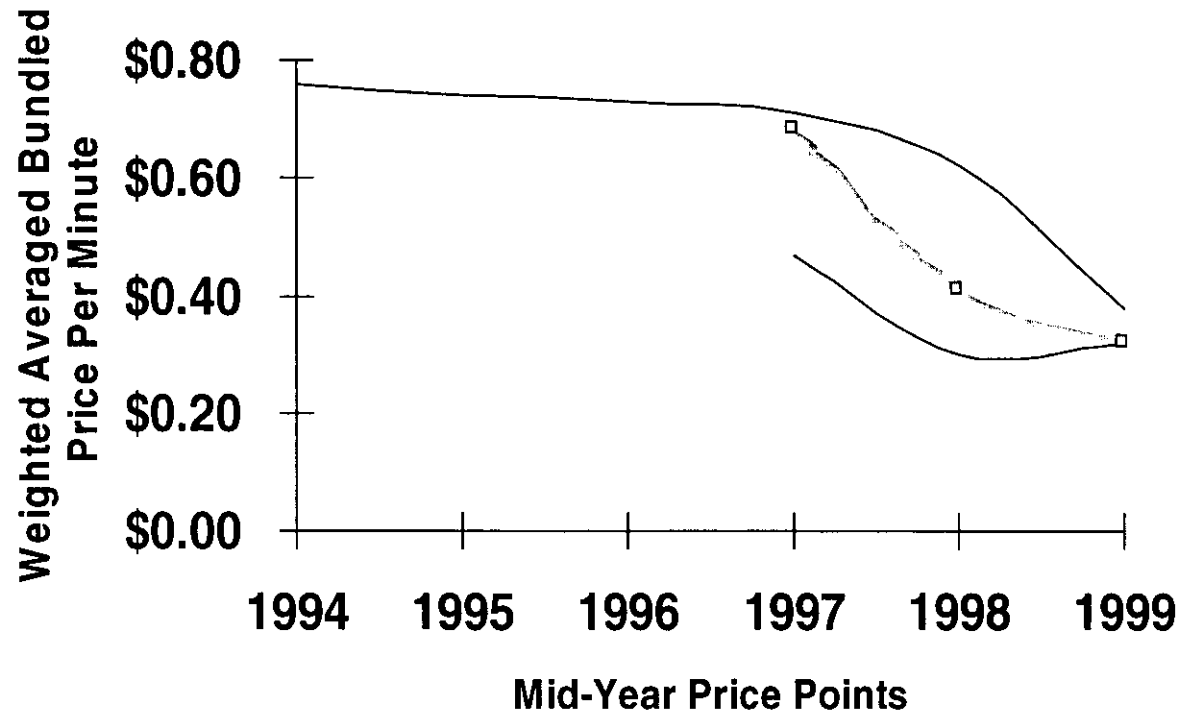
Price for a Wireless Minute (New York)



- Since the introduction of PCS, digital cellular prices have fallen by 52% and have now converged with PCS prices
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market



Price for a Wireless Minute (Los Angeles)

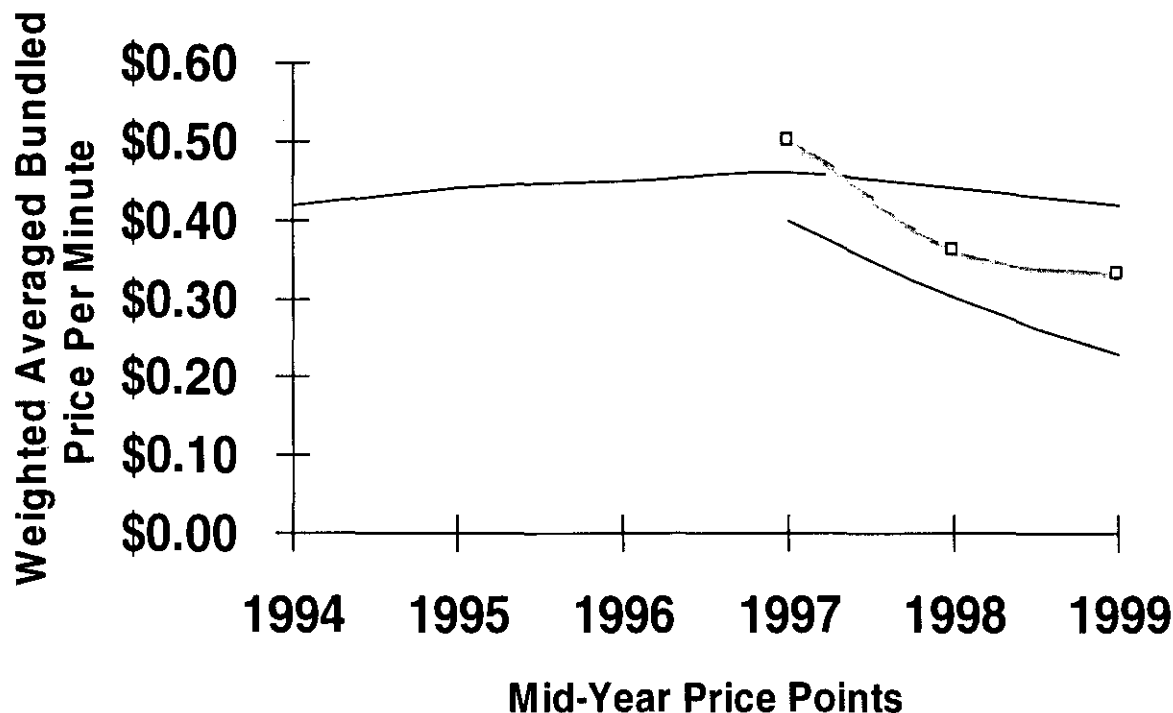


- Since the introduction of PCS, analog prices have fallen by 47% and digital cellular prices have fallen by 52% and have now converged with PCS prices

- AT&T no longer aggressively offers analog service in this market and their high analog price points are not considered in the 1999 calculations

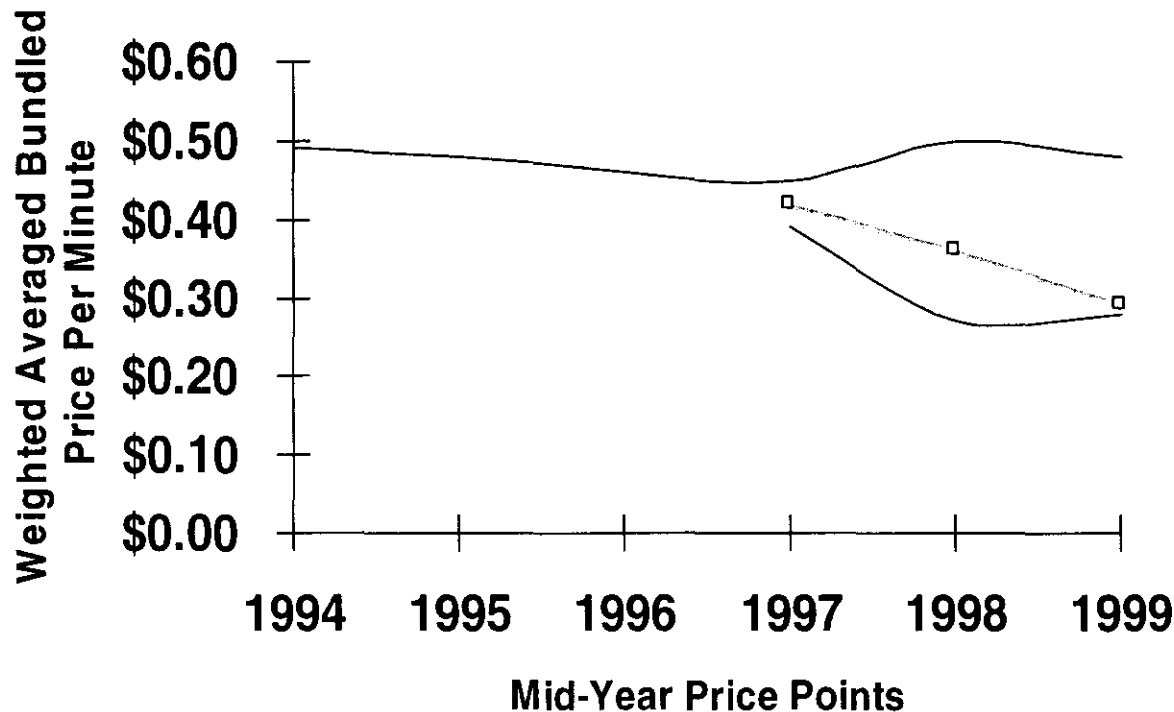


Price for a Wireless Minute (Chicago)



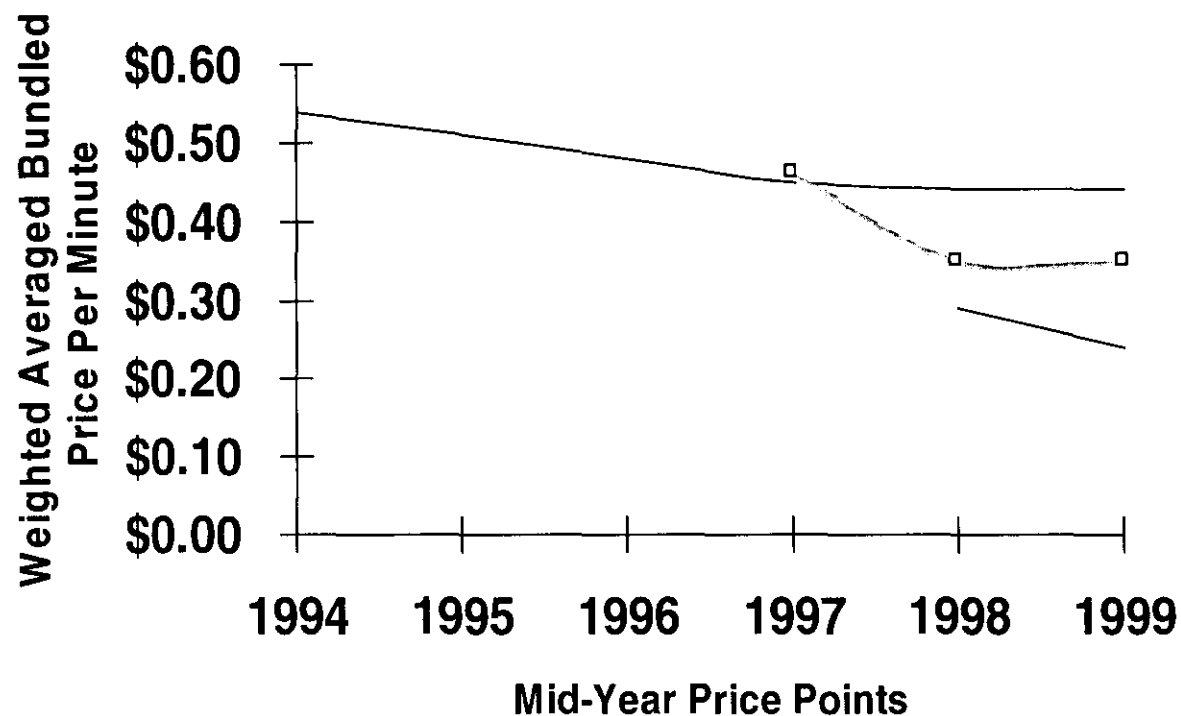
- Since the introduction of PCS, analog prices have fallen by 10% and digital cellular prices have fallen by 34%
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

Price for a Wireless Minute (Philadelphia)



- Since the introduction of PCS, digital cellular prices have fallen by 31% while analog prices have actually increased by 8%
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

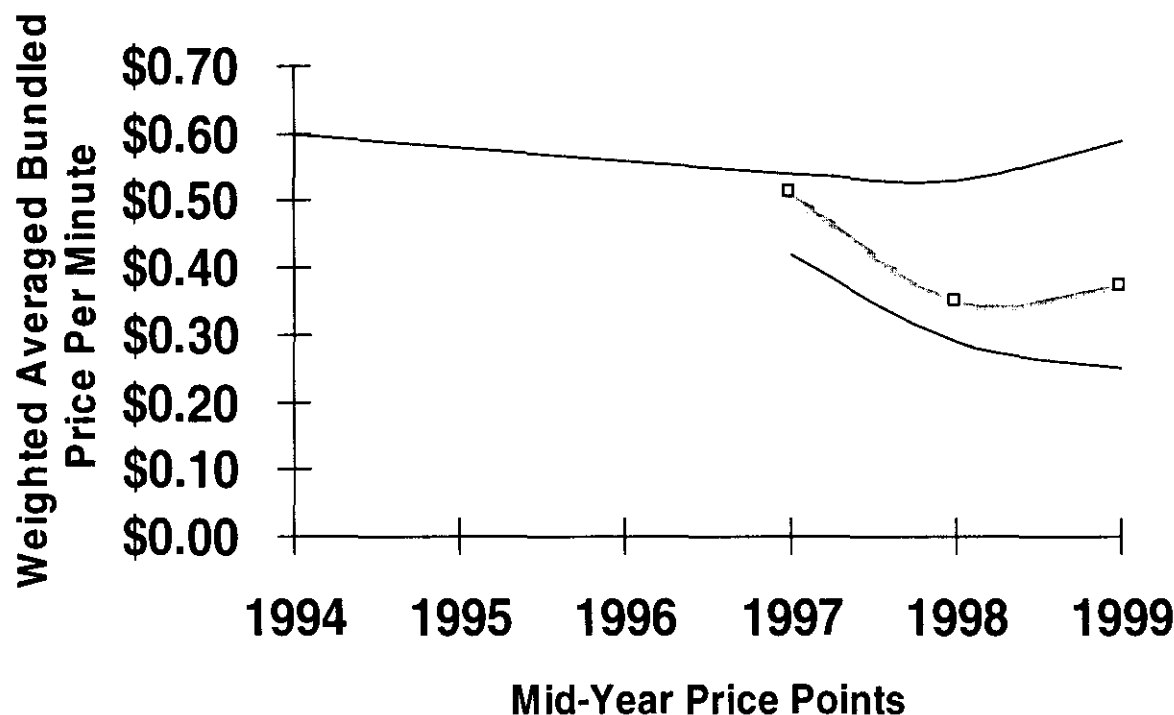
Price for a Wireless Minute (Detroit)



- The introduction of PCS coincided with a 24% drop in digital cellular prices
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

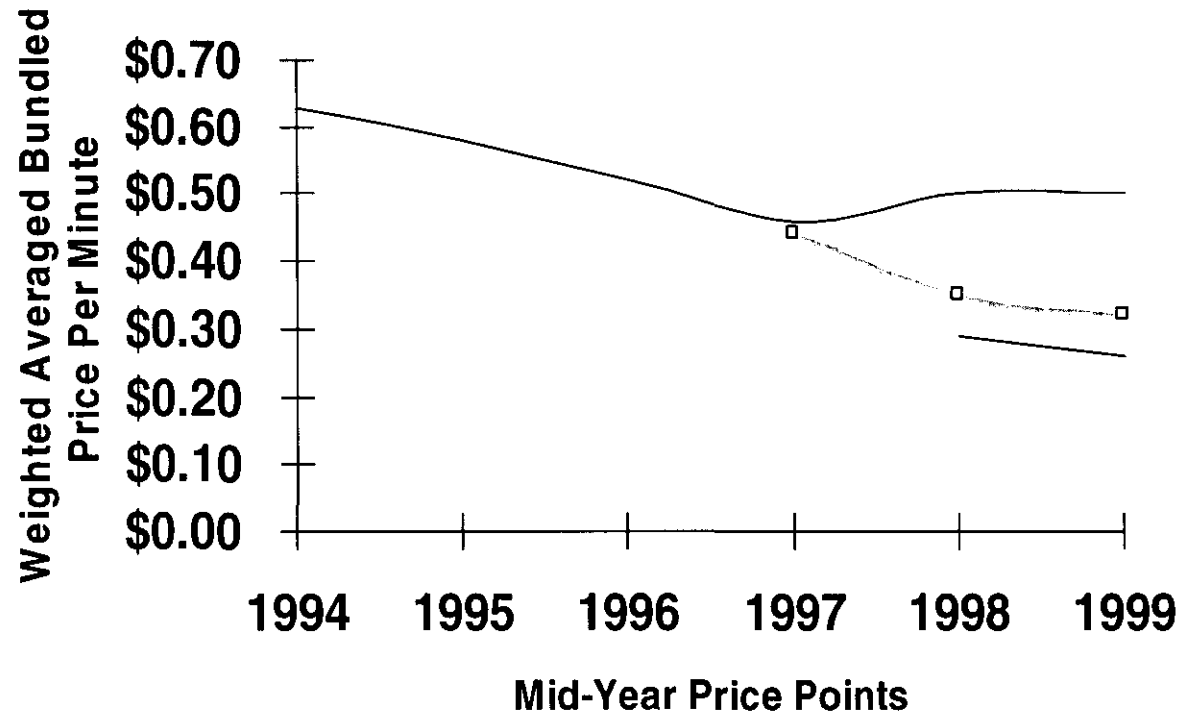


Price for a Wireless Minute (Dallas)



- Since the introduction of PCS, digital cellular prices have fallen by 27% while analog prices have actually risen 8%
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

Price for a Wireless Minute (Boston)

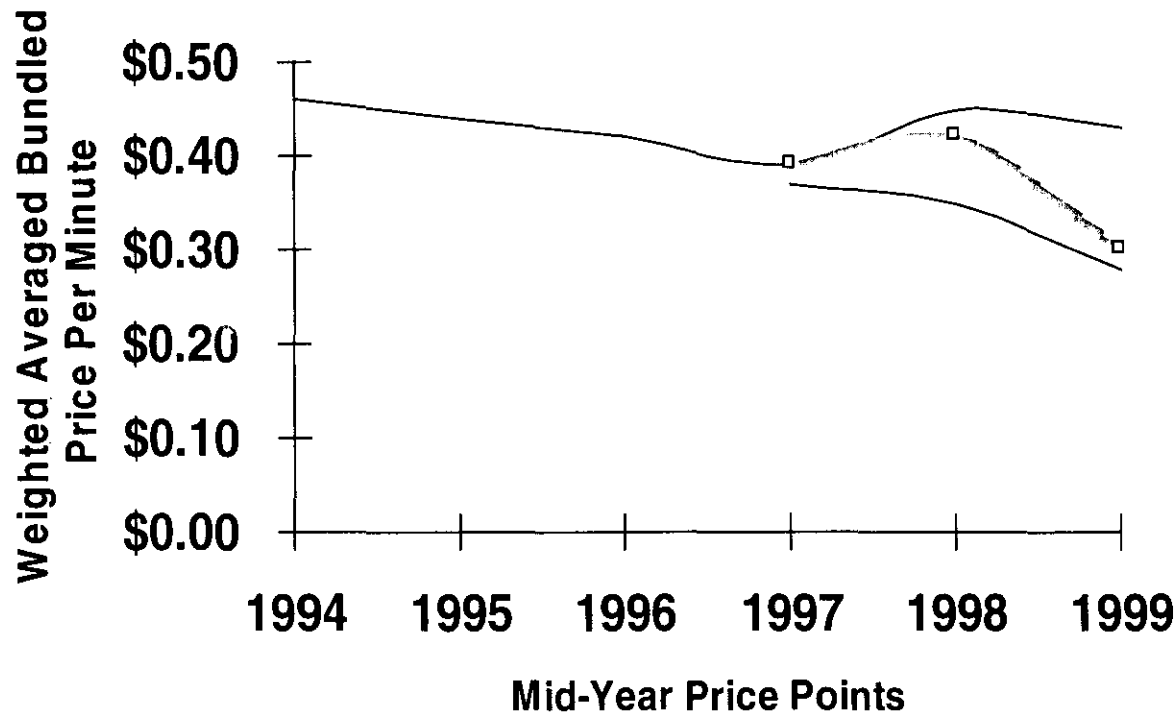


-Since the introduction of PCS in late 1997, digital cellular prices have fallen by 28% while analog prices have actually risen 8%

- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market



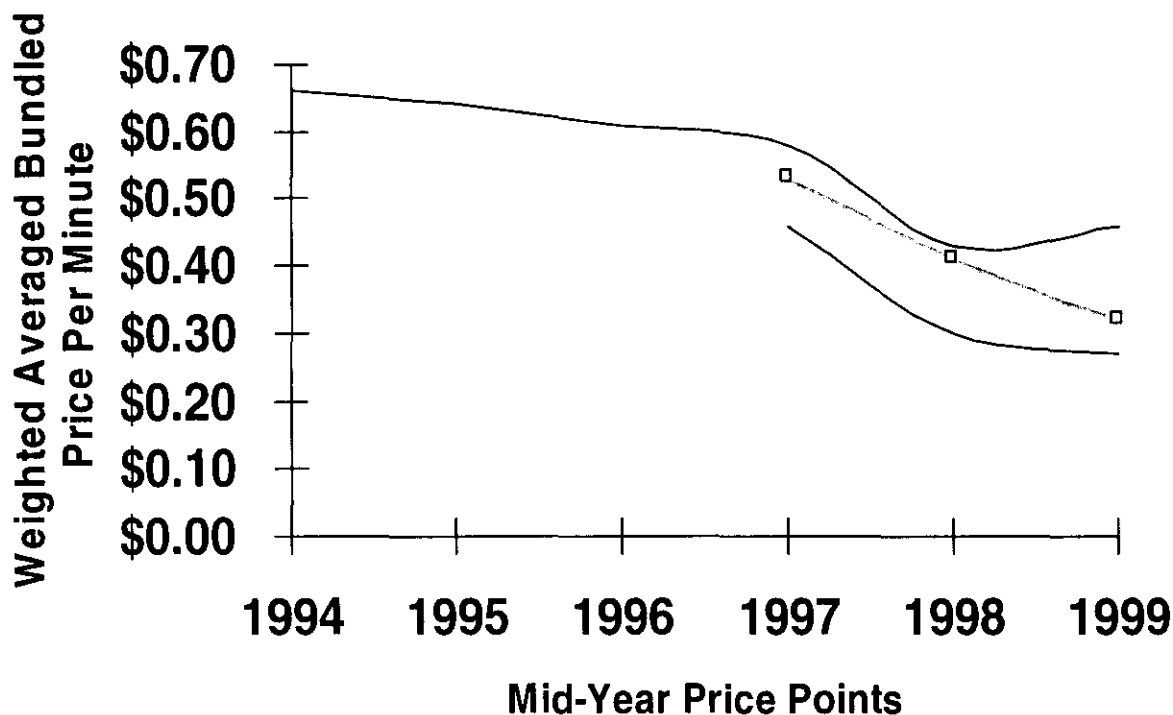
Price for a Wireless Minute (Washington D.C.)



- Since the introduction of PCS, digital cellular prices have fallen by 23% and while analog prices have climbed 10%
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

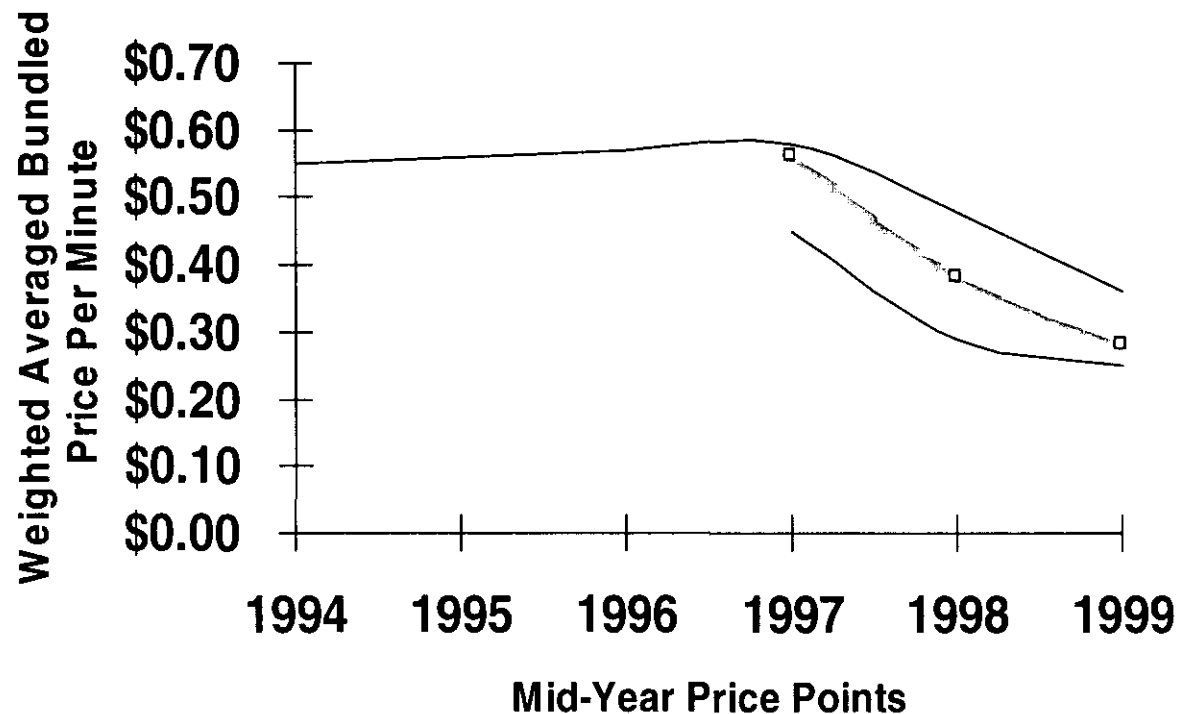


Price for a Wireless Minute (San Francisco)



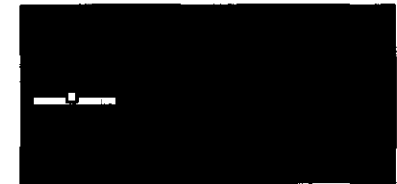
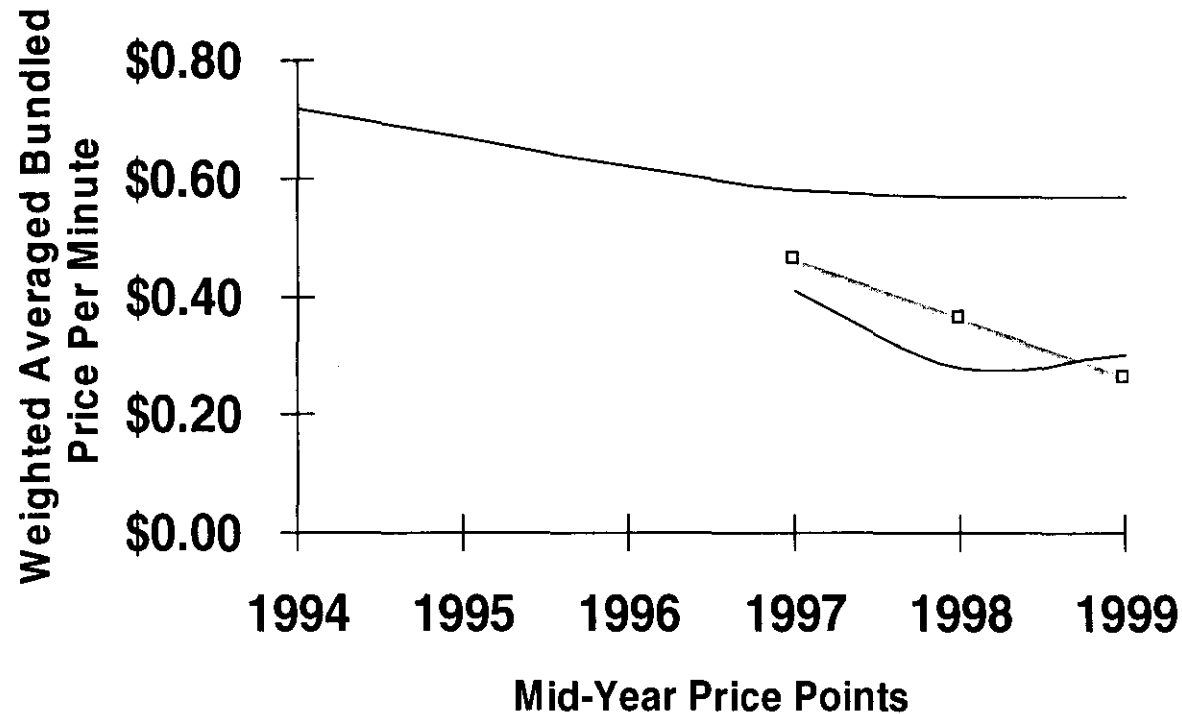
- Since the introduction of PCS, digital cellular prices have fallen by 41% and have now converged with PCS prices
- Analog prices have also fallen (by 21%) since PCS carriers launched service

Price for a Wireless Minute (Houston)



- Since the introduction of PCS, digital cellular prices have fallen by 49% and have now converged with PCS prices
- Analog prices have also fallen 37%

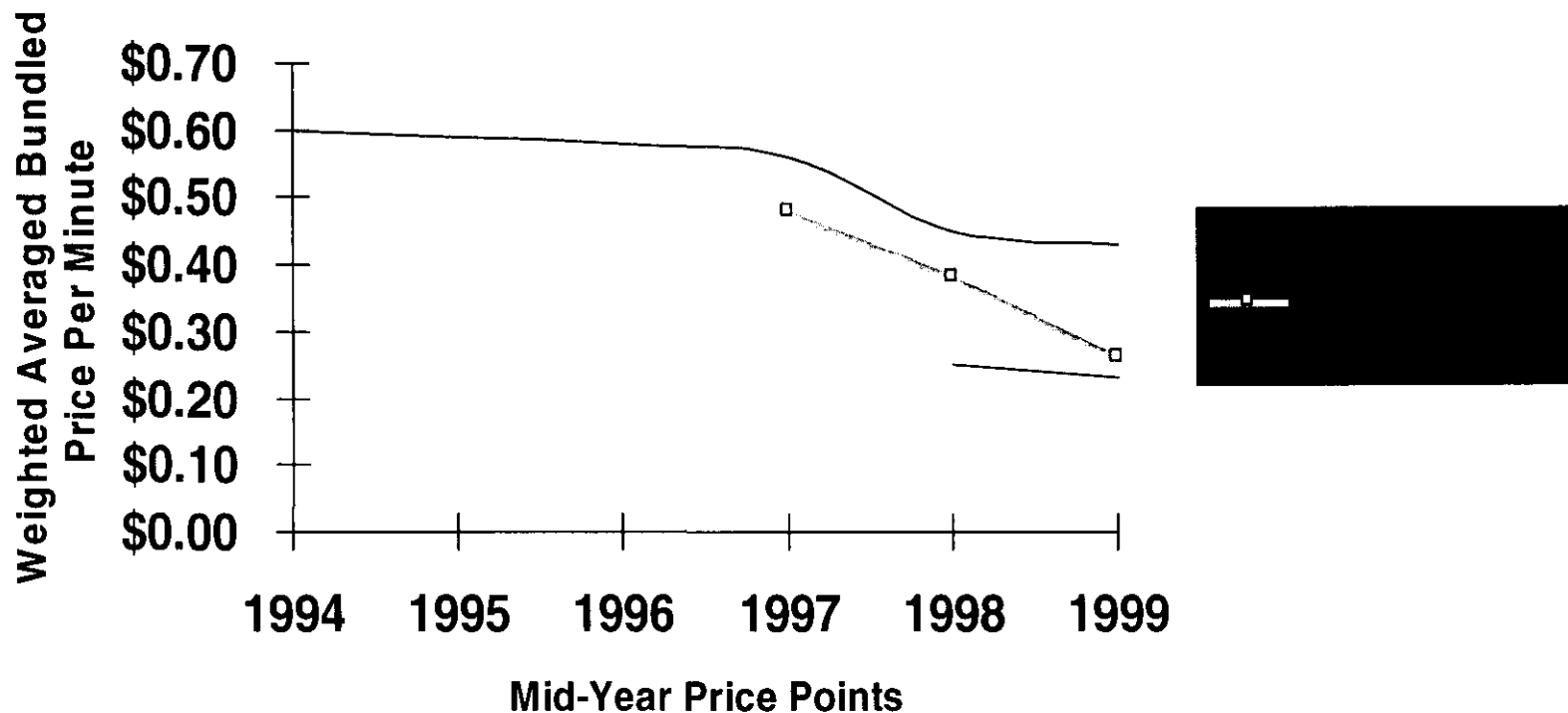
Price for a Wireless Minute (Miami)



- Since the introduction of PCS, digital cellular prices have fallen by 43% and have now become price leaders
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

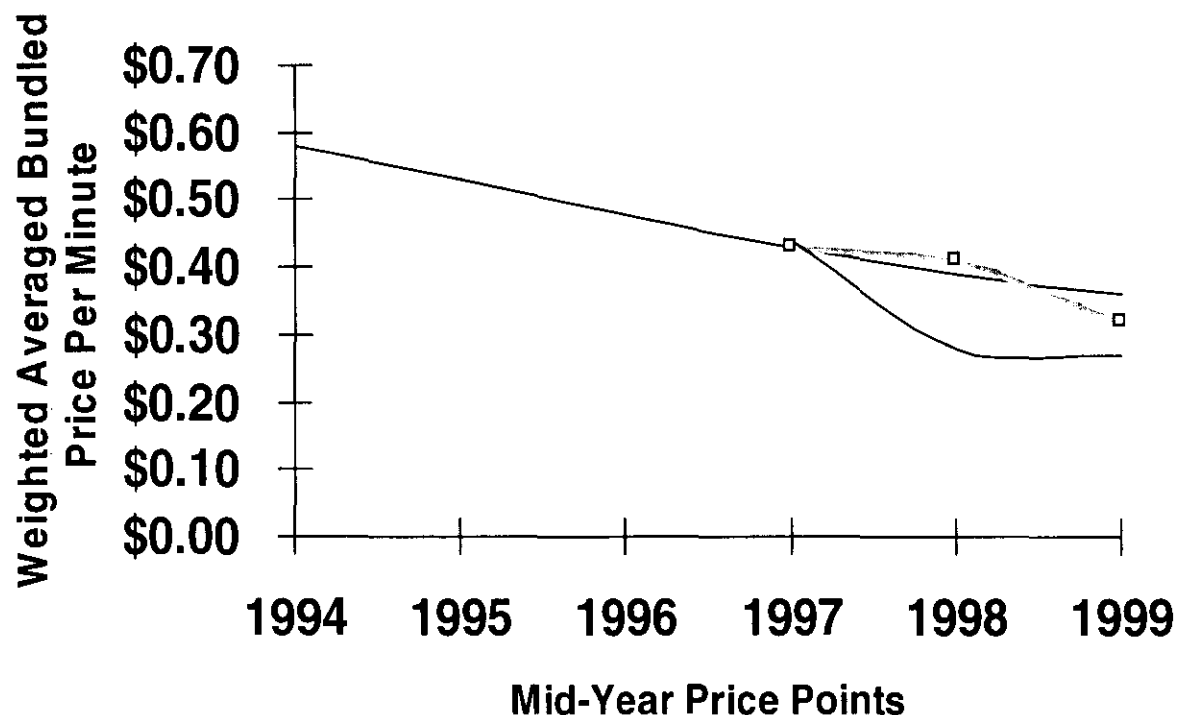


Price for a Wireless Minute (Atlanta)



- Since the introduction of PCS, digital cellular prices have fallen by 46% and have now converged with PCS prices
- Analog prices have also fallen (by 25%) since PCS launched service in late 1997

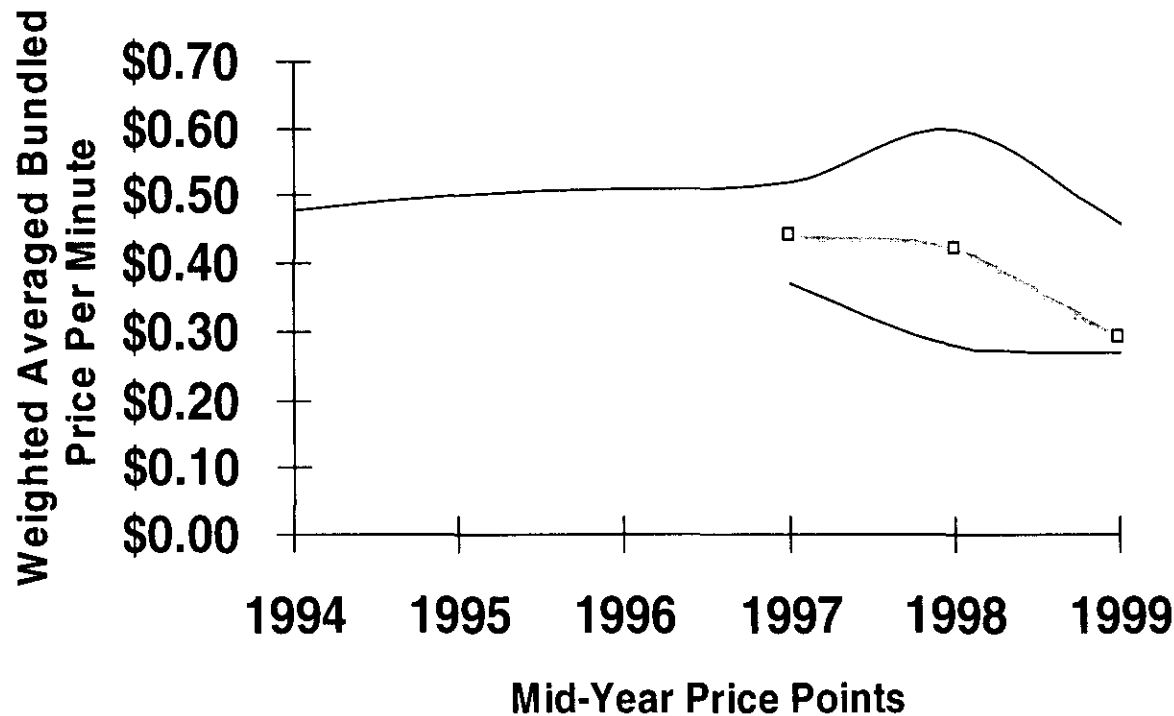
Price for a Wireless Minute (San Diego)



- Since the introduction of PCS, digital cellular prices have fallen by 26% and have now converged with PCS prices
- Analog prices have also fallen (by 15%) since PCS launched service in late 1997



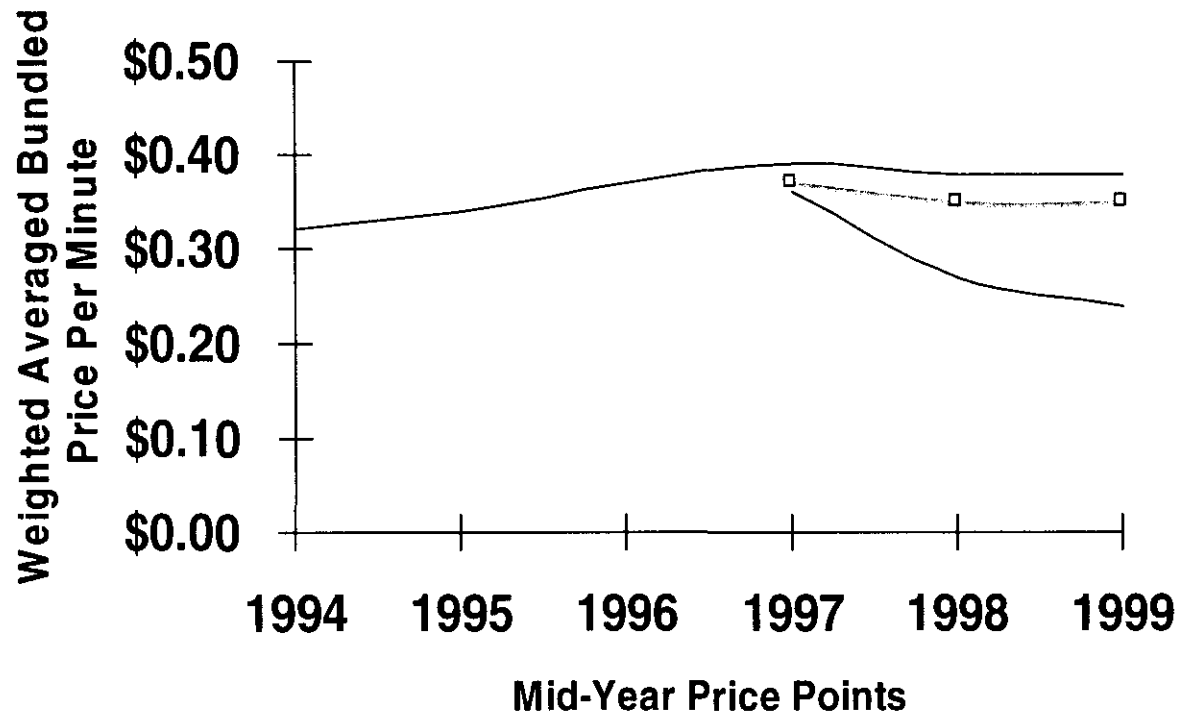
Price for a Wireless Minute (Minneapolis)



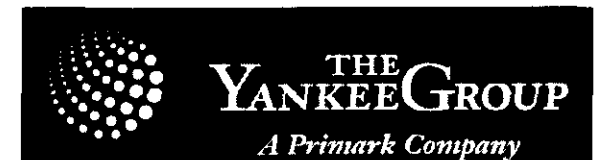
- Since the introduction of PCS, digital cellular prices have fallen by 35% and have now converged with PCS prices
- Analog prices have also fallen (by 11%) since PCS launched service in late 1997



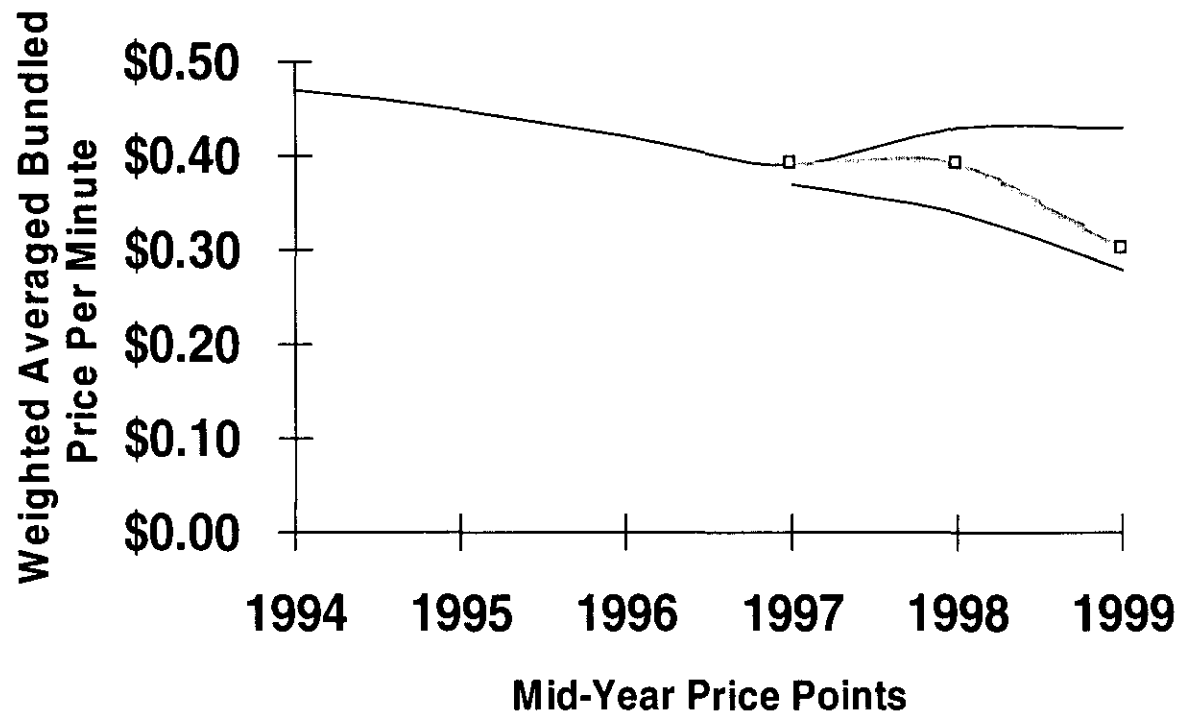
Price for a Wireless Minute (St. Louis)



- In St. Louis, the cellular price response to PCS competition has been negligible
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market



Price for a Wireless Minute (Baltimore)

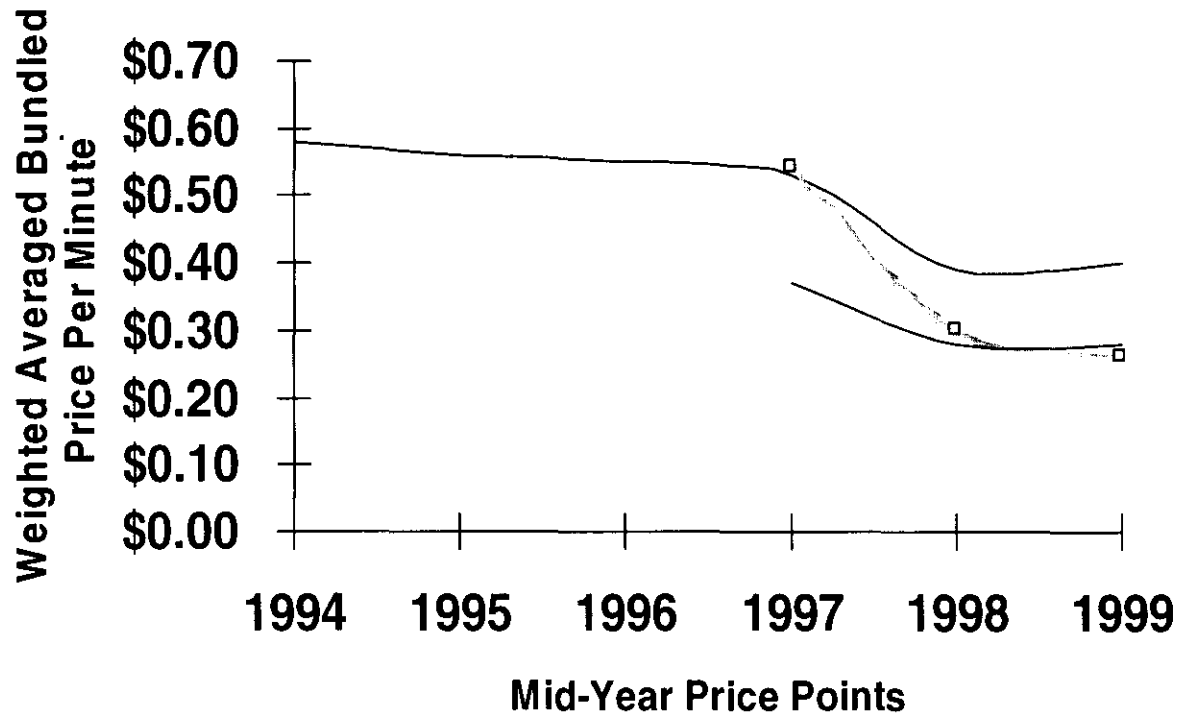


- Since the introduction of PCS, digital cellular prices have fallen by 23% while analog prices have actually jumped 10%

- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

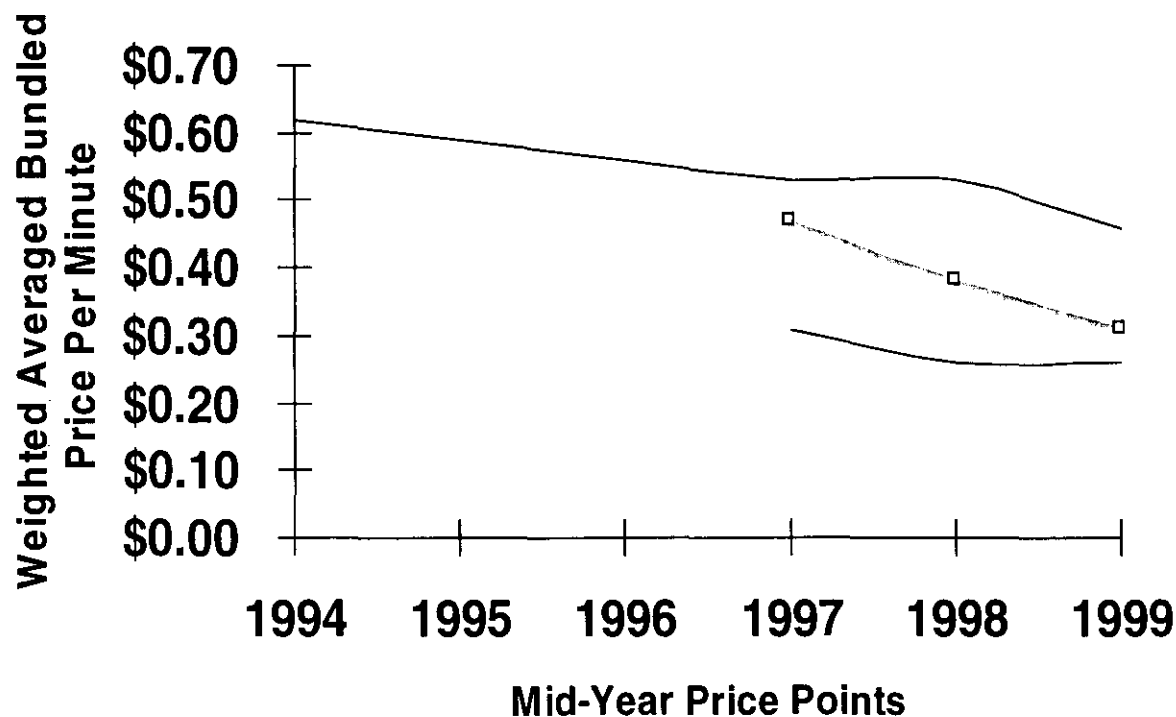


Price for a Wireless Minute (Phoenix)



- Since the introduction of PCS, digital cellular prices have fallen by 52% and have now converged with PCS prices
- Analog prices fell 25% since PCS carriers launched service

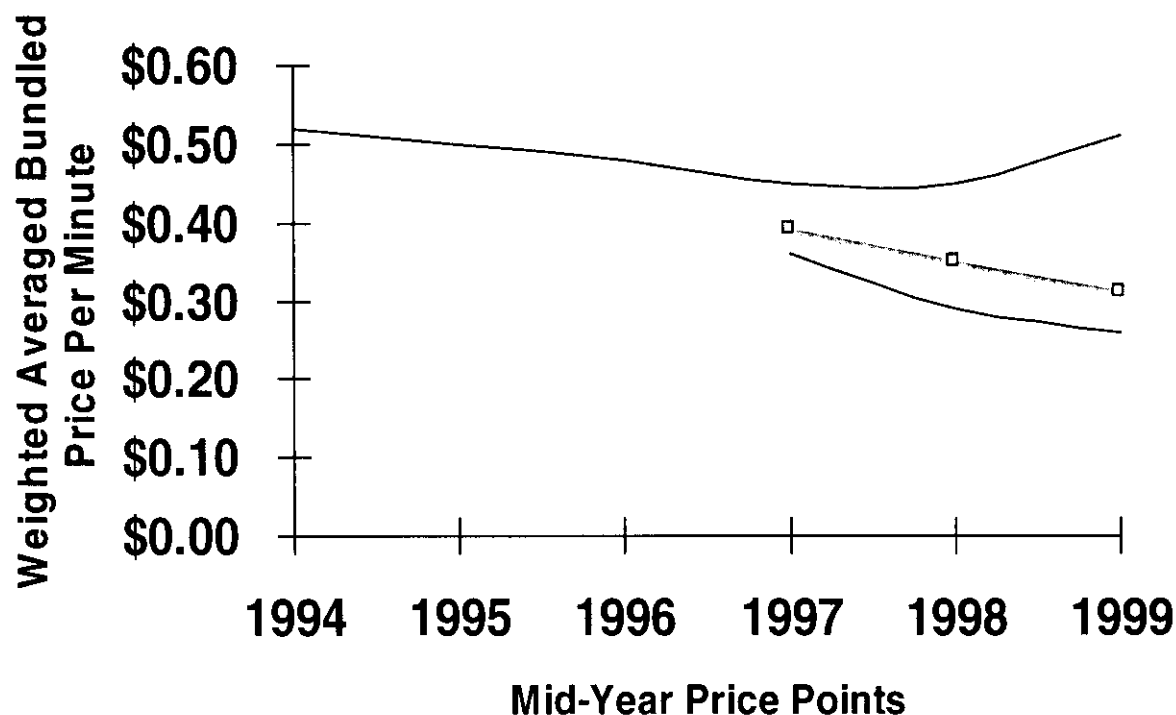
Price for a Wireless Minute (Seattle)



- Since the introduction of PCS, digital cellular prices have fallen by 35% and have now converged with PCS prices

- Analog prices fell only 12% and analog net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

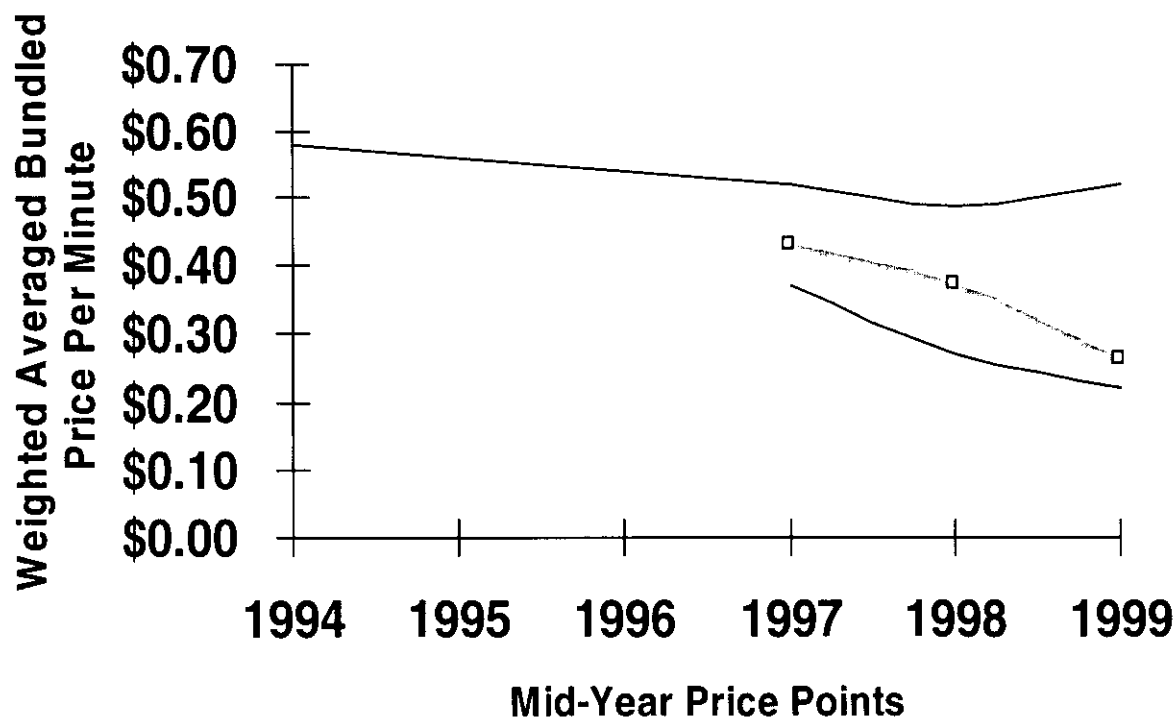
Price for a Wireless Minute (Pittsburgh)



- Since the introduction of PCS, digital cellular prices have fallen by 20% and have kept pace with drops in PCS pricing

- Analog prices risen 12% and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

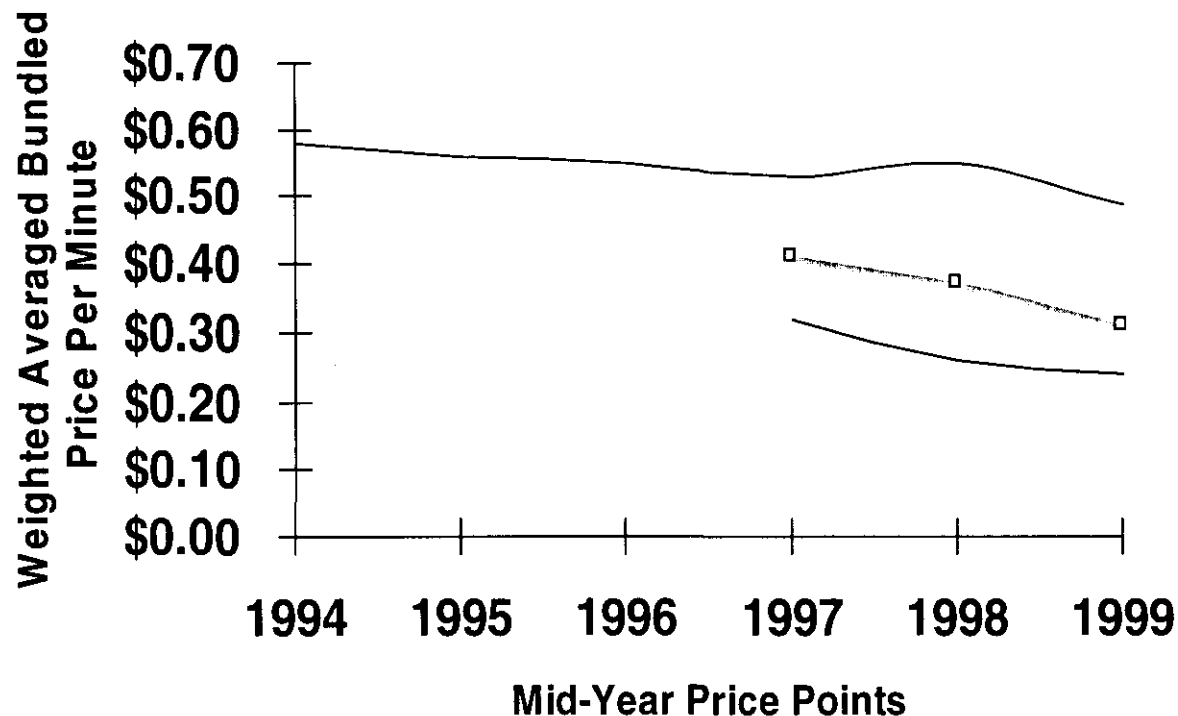
Price for a Wireless Minute (Tampa)



- In Tampa, a very competitive market with 6 carriers (7 including Nextel), digital cellular prices have fallen by 40% since PCS carriers first launched service
- Analog prices remain high and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market



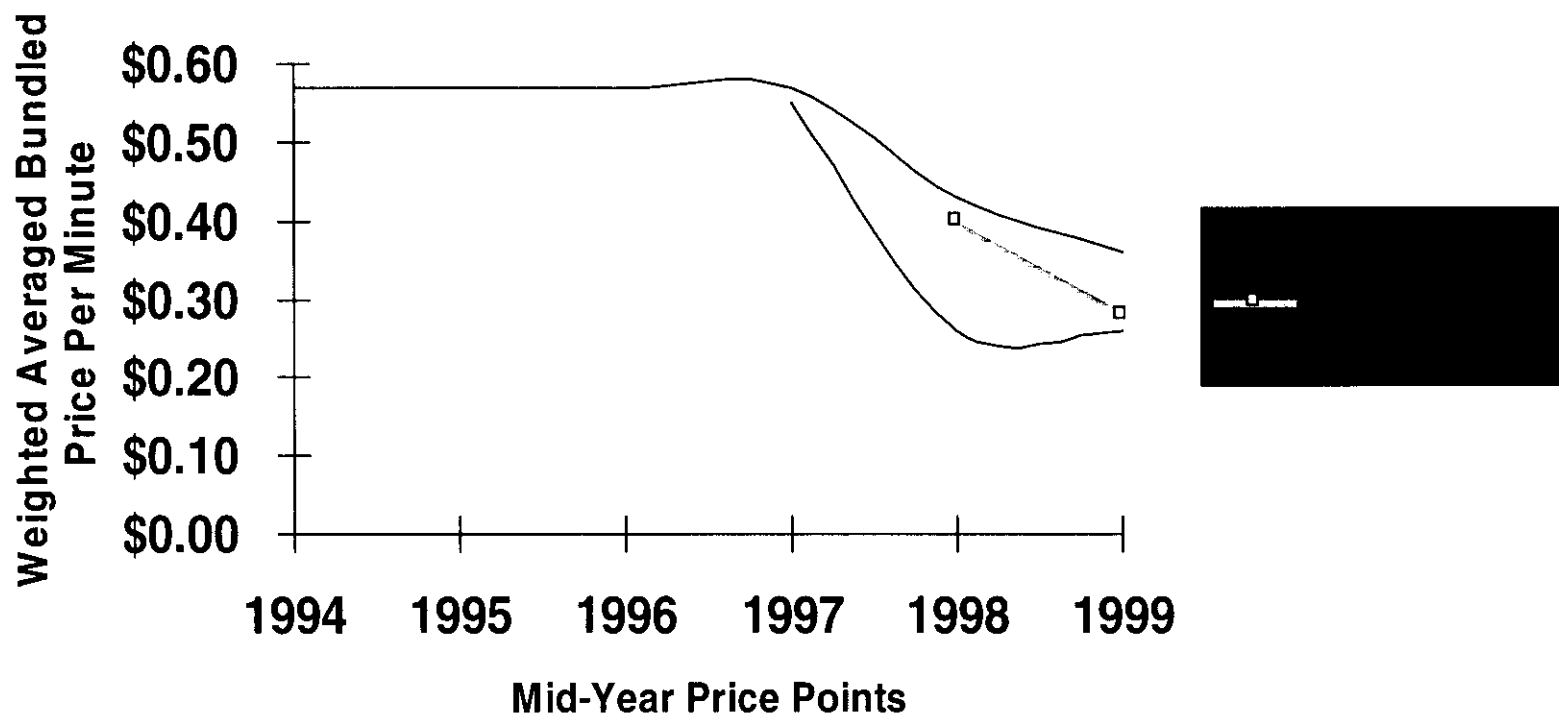
Price for a Wireless Minute (Denver)



- Since the introduction of PCS, digital cellular prices have fallen by 25% and have now converged with PCS prices
- Analog prices have held steady and net adds are approaching zero, but with the free or inexpensive handsets, analog still has a niche market

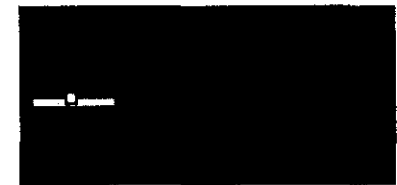
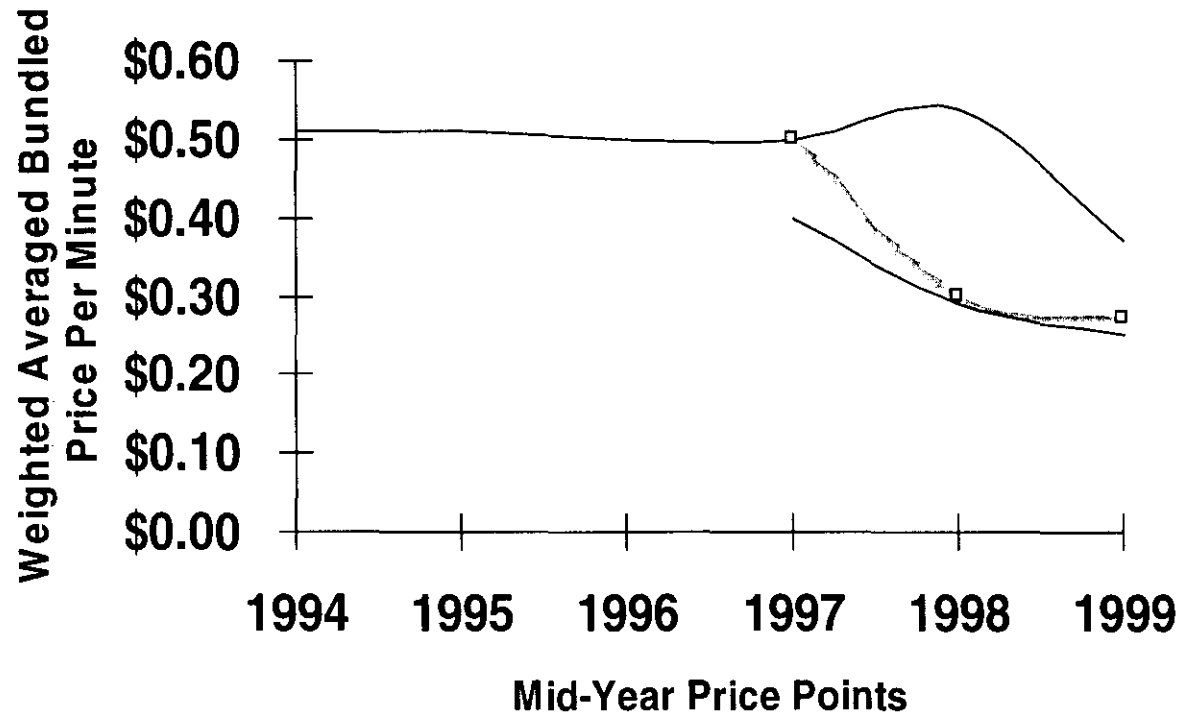


Price for a Wireless Minute (Cleveland)



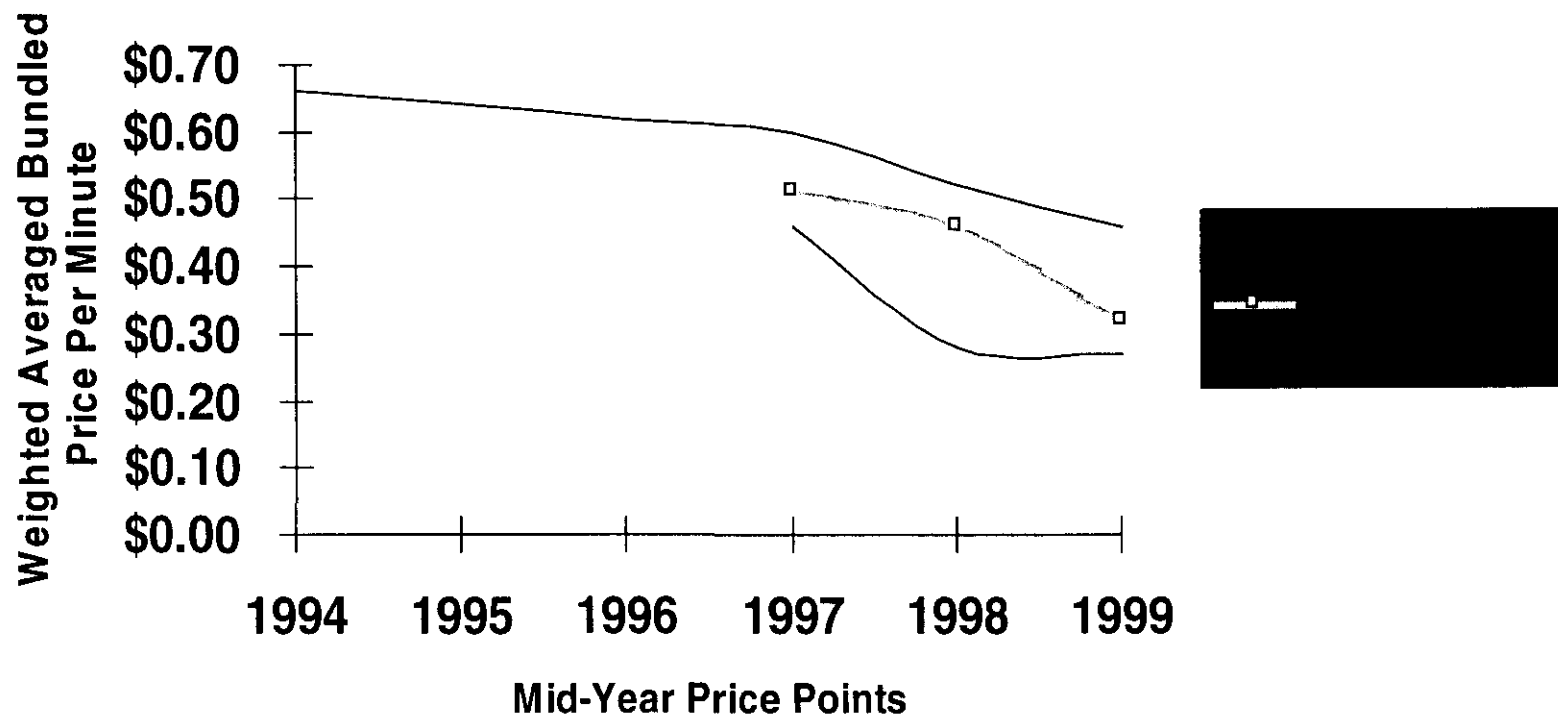
- Digital cellular came late to Cleveland and within 18 months, prices dropped by 29%
- Analog prices fell 37% since PCS carriers launched service

Price for a Wireless Minute (Charlotte)



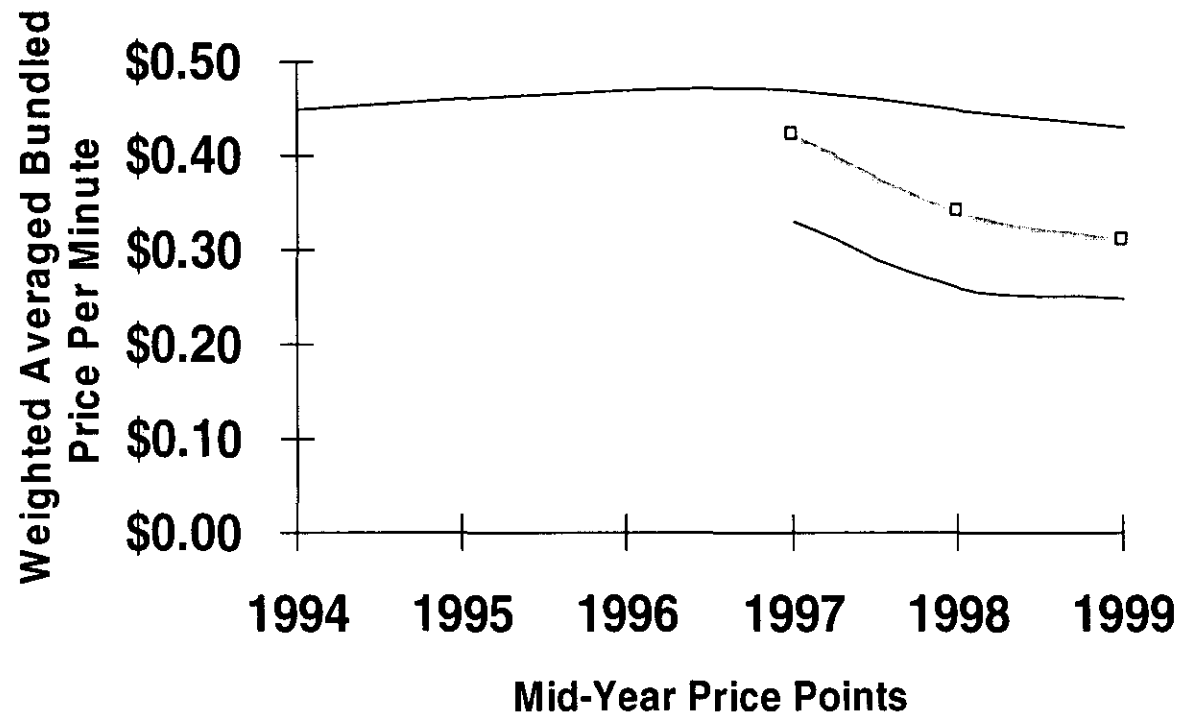
-Since the introduction of PCS, digital cellular prices have fallen by 45% and analog prices have fallen by 26%

Price for a Wireless Minute (San Jose)



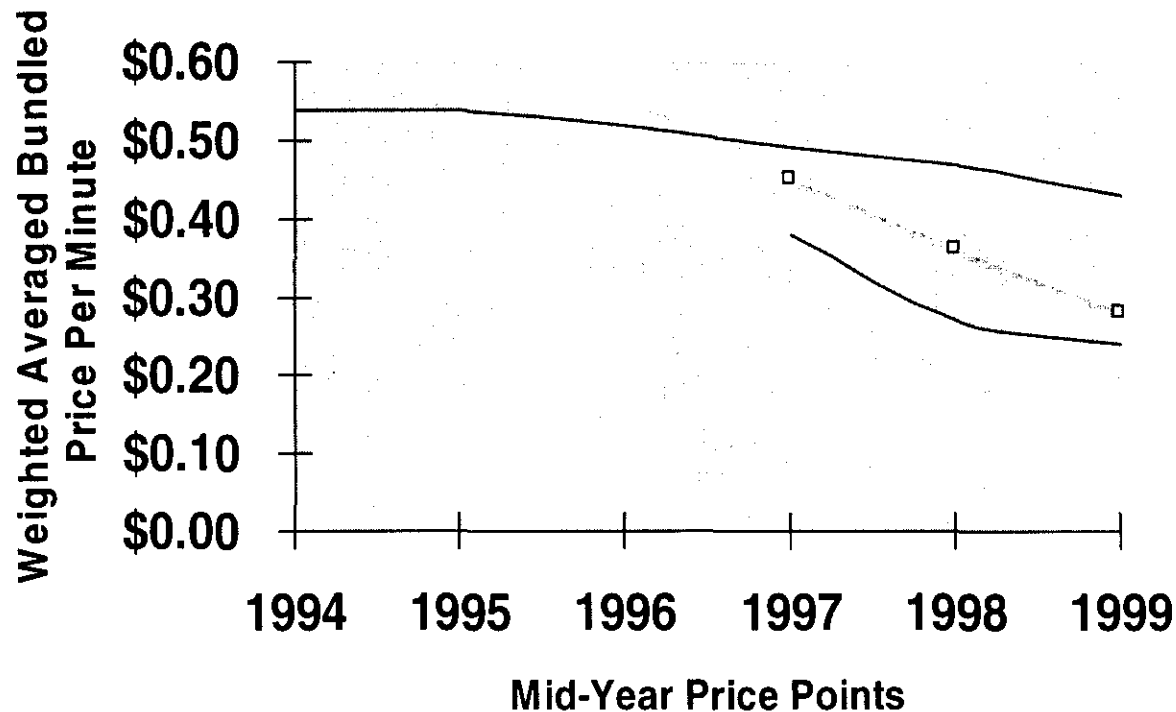
-Since the introduction of PCS, digital cellular prices have fallen by 45% and analog prices have fallen by 26%

Price for a Wireless Minute (Portland)



-Since the introduction of PCS, digital cellular prices have fallen by 45% and analog prices have fallen by 26%

Summary Slide: National-Wide Price for a Wireless Minute



-Since the introduction of PCS, digital cellular prices have fallen by 38% and analog prices have fallen by 12%

Summary of Findings

- **Most of the top 25 markets have experienced more than a 35% price reduction since PCS carriers launched service**
- **The rollout of PCS service encouraged the cellular carriers to speed conversion to digital, reduce prices, and offer more services**
- **PCS carriers, by offering big-bucket plans and lower prices, have sparked increased usage levels**
- **PCS introduction, and the corresponding price reductions, have helped the wireless industry maintain its momentum in penetration growth**

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